We are the personalisation people.

Annual Report & Accounts **2024**

A year of profitable growth

Delivered by our exceptional team, creating value for some of the biggest brands globally.

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FINANCIAL HIGHLIGHTS

Strong growth in ARR and EBITDA

Exiting the year with increasing momentum and focus on win

Group Revenue

£47.7m

FY23: £43.1m

+11%

Recurring revenue (subscription fees and transactions)

79%

FY23: 80%

-1ppts

Annual Recurring Revenue[1] (ARR)

£39.7m

FY23: £33.3m

+19%

Net Revenue Retention[2]

109%

FY23: 137%

-28ppt

Adjusted EBITDA[3]

£11.3m

FY23: £8.8m

+28%

Adjusted EBITDA margin

24%

FY23: 20%

+4pps

Profit after tax

£5.7m

FY23: £1.2m

+383%

Closing net cash[4] position

£10.4m

FY23: £9.3m

+12%

Read our Financial Review on page 26

1 Annual Recurring Revenue is defined as period exit rate for recurring 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.
2 Net Revenue Retention is defined as the improvement in recurring revenue excluding new wins in the last 12 months.
3 EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit. EBITDA has also been adjusted to exclude costs and changes in the fair value of consideration associated with the acquisition of EagleAI.
4 Net cash is defined as cash and cash equivalents less financial liabilities.

STRATEGIC HIGHLIGHTS

Delivering profitable growth

Continued financial growth

Strong foundation on which to build

New wins and innovation within the EagleAI offering

Focus on EagleAI to expand our opportunity

Focused on driving our 'Win' rate

Pipeline includes some of the worlds' largest retailers

Read our Chief Executive Officer's Statement on page 12

AT A GLANCE

We are problem solvers

It's in our DNA

We exist to solve the biggest problems facing the world's leading customer-centric businesses

We create value by ensuring our customers are able to deliver **better**, more personalised marketing, which is **simpler** for their teams to execute and **cheaper** for them to run.

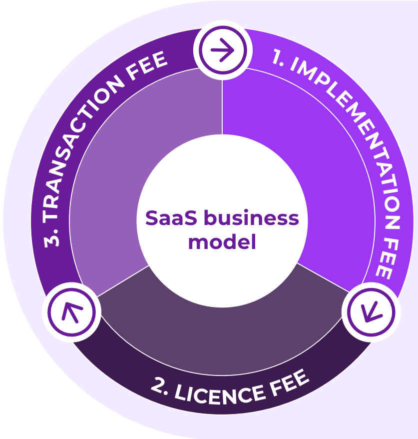
Our **composable customer engagement platform**, AIR, is **cloud-native** and **API first**, enabling us to solve the primary business problems facing our customers. It is the world's most flexible platform to deliver omnichannel personalisation at scale.

AIR
Enterprise ready

Security	Stability	Speed	Scalability	Support
Our top priority Invest +5% of revenues back into best-in-class security	**Trusted to deliver** a stable service for ~500k points of sale worldwide	**We are real-time** 150ms to adjudicate a basket. 10k API TPS 365 days	**No one does more** Execute +850m personalised offers every week	**Here for you 24/7/365** Delivers a customer retention rate of +98%

CLOUD NATIVE
API-FIRST
COMPOSABLE
OMNICHANNEL
REAL-TIME

How we make money



01

- One off implementation fee

02

- Recurring licence fee

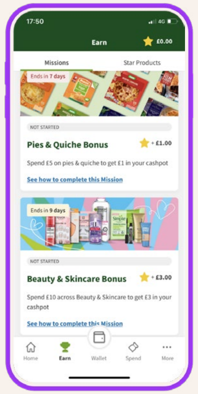
03

- Transaction fee
- Per issuance X pence – linked to value
- Per redemption 3–5 times issuance or interaction fees (earn and burn of points) for loyalty services replaces issuance and redemption

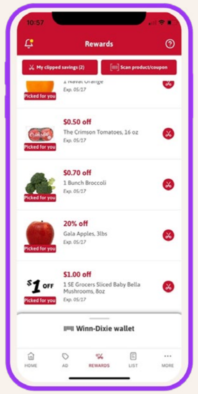
Our Core Products

To deliver against our vision of powering the personalised marketing revolution globally, we offer four core products which enable our customers to personalise their customers' experiences in a myriad of ways

01 Real-Time Loyalty



02 Omnichannel Promotions Engine



03 Gifting & Top-Up

04 Personalised Challenges

AT A GLANCE CONTINUED

We have a global presence, with offices and customers around the world

Eagle Eye locations

Tried, tested and proven

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

+850m
personalised offers weekly

+500m
loyalty wallets managed

1.7%
customer churn

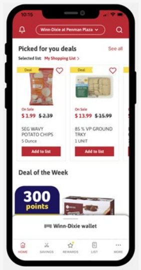
Solving the personalisation problem for leading businesses all over the world

We believe in following the GOLDEN RULE

Treating people as they would like to be treated

This sits at the very heart of personalisation and underpins everything we do. We believe this is what drives our performance for all of our constituent groups.

The golden rule in action:



End Consumers

We are powering personalisation

Powered

+6bn

personalised shopping trips last year

Retail Systems awards 2024 WINNER

2023/2024 ASIA PACIFIC LOYALTY AWARDS

#7 Martech Innovation 2023

Our Customers

We win with our customers

Customer retention rate of

+98%

THE UK'S TOP 5 BEST MID-SIZED COMPANIES TO WORK FOR 2023

WORLD CLASS TO WORK FOR 2023

TECHNOLOGY'S TOP 5 BEST COMPANIES TO WORK FOR 2023

Our Employees

We are a great place to work

5th

best tech company to work for in the UK

London Stock Exchange

SHORTLISTED Best Technology Award 2024 AIM Awards 2024

Our Shareholders

Celebrating 10 years on AIM

NRR

+109%

STRATEGIC FRAMEWORK

Our strategic framework will enable us to achieve our ambitions

Our next milestone is £100m revenue and 25% EBITDA margin

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

Powered by Purple People

POWERED BY PEOPLE

All the value we create is thanks to our Purple people who deliver exceptional results for our customers.

"We have an exceptional team at Eagle Eye who are dedicated to creating value for our customers through building and delivering great technology to some of the world's biggest businesses and best loved brands. **Their energy fuels the momentum in the business.** We, in turn, are committed to providing them with fantastic opportunities to accelerate their careers."

Tim Mason
Eagle Eye CEO

How we do what we do is what really makes us unique.

Our Values

Integrity
Earning trust

Excellence
Maintaining trust, building loyalty

Innovation
Keeping things fresh

Passion
Enjoying the ride

Teamwork
Passing purple on

Kindness
Bonding us together

CHAIR STATEMENT

A year of strategic significance

positioning Eagle Eye for its next phase of growth

I am very pleased to be reporting another year of strong profitable growth for Eagle Eye, and one of strategic significance as the Group positions itself for its next stage of growth. These results are evidence of the value customers place in our offering, as the team continues to win new clients globally and strengthen relationships with existing ones. Additionally, our exciting AI-based offerings show significant potential for future growth.

This is my first time presenting Eagle Eye's results as Chair, having taken over the role from Malcolm Wall in November 2023, after nine years of exceptional leadership by him. My passion for technology and innovation led me to Eagle Eye; it has always been an ambition of mine to deliver personalisation at scale, given the opportunity it presents and the market's growing appetite for it. Eagle Eye's technology means personalisation at scale is truly here. The breadth and depth of its AIR platform and its ability to leverage AI in a concrete way through its EagleAI offerings give the Group a leading position in the loyalty and promotions market to build upon.

With this in mind, this year has seen the Board and management team comprehensively assess the Group's strategy and operations to ensure we have the foundations in place to achieve our next significant milestone of £100m of revenue.

Financial results – Profitable growth and increasing ARR

The Group experienced good momentum, particularly towards the end of the year, increasing the Group's ARR by 19% to £39.7m at 30 June 2024 (30 June 2023: £33.3m), providing confidence in further growth. Whilst revenue of £47.7m (FY23: £43.1m) represented 11% growth year on year, growth was impacted by the timing of Wins coming towards the end of the year and the reduction in non-core SMS revenue and so we believe the Group's true growth potential is much higher. I am pleased to report that, due to the Group's strong cost discipline, we delivered adjusted EBITDA ahead of original market expectations, up by 28% to £11.3m (FY23: £8.8m). Profit after taxation increased by 383% to £5.7m (FY23: £1.2m) reflecting the improvement in operating performance and a tax credit for losses brought forward given the continued growth in profitability. The Group generated cash in the year, with a net cash position of £10.4m at 30 June 2024 (30 June 2023: £9.3m), providing the business with the continued ability to invest organically in line with its growth ambitions.

Our People and Values

I have been truly impressed by the culture at Eagle Eye and its commitment to its 'Purple' way of working, with our experienced and ambitious management team leading by example. Eagle Eye has a passionate and united team which truly lives and breathes our core values, in turn delivering exceptional value to customers.

Eagle Eye believes that to be the best company to work with, you should be the best company to work for, and there are a broad range of initiatives in place across the business to support this. We continued to invest significantly in training, including the rollout of 'Purple Leaders' training and the launch of a new 'Purple Playbook', providing all team members with access to personalised value-based coaching and development. Then at our annual conference in July 2024, we launched a new employee recognition programme 'Purple Stars', identifying employees who have made significant contribution to the business, starting with those that made an impact in FY24. These initiatives are loved by our now 250+ strong team, contributing to our fantastic Employee Net Promoter Score (eNPS) scores which we continue to track quarterly.

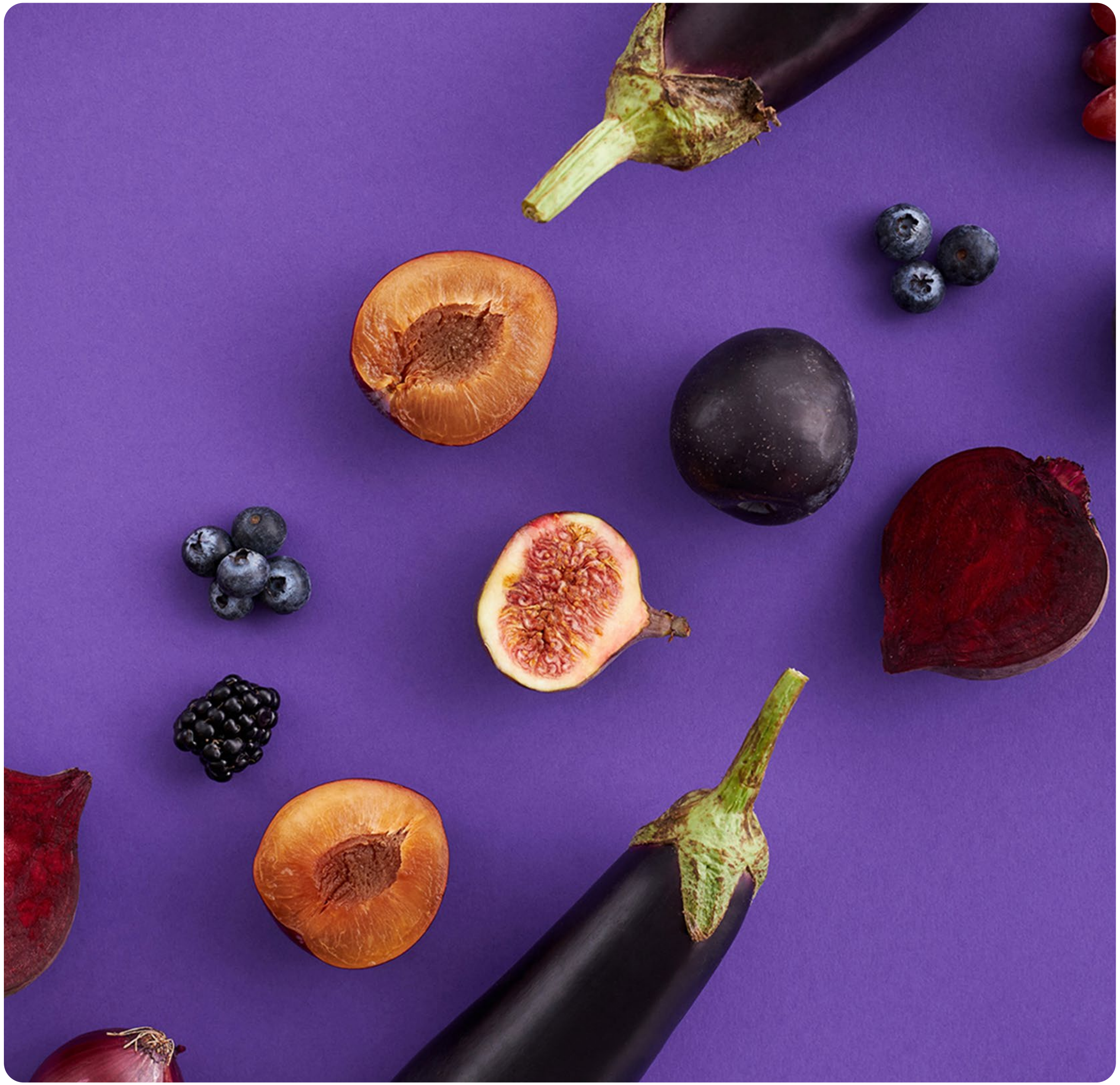
To read more about our response to ESG and the expertise of our Board, go to page 24 and 37

Outlook – Positioned to achieve our growth ambitions

It is clear that omnichannel marketing by retailers is now the new normal. Applied AI has arrived, and consumers increasingly expect, and want, personalisation. Retailers have to react to these market dynamics to drive their businesses forward and are increasingly turning to Eagle Eye to do so.

However, Eagle Eye is still only at the start of its growth journey. We are making inroads in all our key markets, but our penetration of our target customer base remains low, as they too are only at the start of their personalised loyalty journeys. This provides Eagle Eye with a very considerable runway of opportunity ahead. The Group has entered FY25 in a strong position to achieve our growth ambitions over the next three to five years, with a significant sales pipeline, energised team and powerful offering.

Anne de Kerckhove
Chair of the Board



Our ambition is to grow the business significantly

We have a strong foundation on which to build

Eagle Eye's reputation for delivering personalised marketing at scale, combined with the new opportunities presented by our entry into data science via EagleAI, provides a strong foundation for long-term growth. Our significant sales pipeline includes some of the largest retailers in the world. With robust cash generation and a growing customer base globally, we are confident about the future.

Revenue growth of

+11%

to £47.7m
FY23: £43.1m

ARR growth of

+19%

to £39.7m
FY23: £33.3m

Strategy

The world of loyalty is evolving at pace, with grocers leading the way. For them, loyalty increasingly means personalised marketing and engagement, due to its proven ability to delight customers and increase loyalty, profitably. We work with the leaders in the field, powering some of the world's most successful loyalty programmes, providing us with outstanding reference customers, globally. It is these leaders who are seeing the improvements in profitability, proving that the personalisation at scale is delivering results which in turn is heightening the urgency for all retailers to embrace personalisation. This is why I am more excited than ever by the outlook for Eagle Eye. Our ability to support the execution of personalised promotions at huge scale, coupled with the growing opportunities from our new AI-based offerings, provide us with a significant and growing opportunity.

The Group exited the year with strong ARR, up 19% year-on-year, as we continued to expand with existing customers and delivered good win momentum towards the end of the year. These contracts show that even the most advanced retailers in personalised marketing, like Tesco, are seeking new ways to engage and delight customers – evidenced by Tesco's rollout of EagleAI's Personalised Challenges product to millions of Clubcard members.

We believe we can increase our revenue growth rate beyond the 11% achieved in FY24. We have implemented some strategic enhancements that are intended to accelerate our speed of pipeline conversion, and which have already started to bear fruit.

The Wins achieved at the end of FY24 and into FY25 mean we anticipate significant ARR growth in the year ahead. While this will naturally take time to flow through to revenue, the inherent operational leverage in the business means that over time the overall financial performance of the business should be very powerful.

Achieving our next milestone of £100m revenue

Our ambition is to grow the business significantly, with our medium-term goal to achieve the next milestone of £100m revenue and 25% adjusted EBITDA margin business and the timing couldn't be better – our exceptional offerings position us at the forefront of a global personalised marketing revolution.

Given our track record of growth and the supportive market backdrop, we are confident the business has the ability to double revenues in the medium-term, from our current position of c.£50m to £100m in revenue. We feel that various factors may accelerate the pace of growth, such as our entry into the data science and AI space, through our new AI-based suite of personalisation solutions, EagleAI; growth in non-grocery opportunities; growth in the partner channel; and further M&A targeting the same 'ideal customer profile' ('ICP').

Alongside all this, even just small improvements in our speed of conversion within our high growth markets, such as the US and Asia, will yield significant returns. We now have a truly global presence, with North America accounting for approximately half of Group revenue.

International regions delivered the highest growth rates in the year, with North America up 9% and APAC up 39%, alongside 6% growth in our more established European market. With strong and growing pipelines, and low current market penetrations, these regions represent considerable expansion opportunities for the Group.

Significant addressable enterprise market opportunity

Today, the majority of a retailer's value perception is driven via mass marketing channels. However, the balance is shifting, with global leaders recognising that they can drive a significantly greater ROI and improve the customer experience by delivering personalised marketing to individualise how customers perceive value. The promise of personalisation at scale to achieve this has been around for many years, but only now is this becoming a reality thanks to advances in cloud-computing, AI and the ability to communicate with end consumers in real time. The world's largest management consultancies are also championing personalisation like never before, supporting the excitement about the future of the Group; according to BCG, shifting just 25% of spend to targeted strategies can boost ROI by 200%. Eagle Eye is exceptionally well-positioned to capitalise on this growing demand for personalised offers, giving us a distinct edge in the market.

We currently generate more than 850m personalised offers a week and we don't believe anyone else is doing more than us. We have footholds in sufficient markets that can get us to £100m in revenue due to the size and growth of those markets, and there is still so much more to go after. We're gaining momentum in key markets, with 2.4% ICP penetration in North America and 3.4% in the fast-growing APAC region. The UK & Ireland lead with 23.3% penetration, offering strong upsell potential, while France and DACH also present further opportunities for expansion.

By remaining focused on our growing pipeline and making calculated moves in these key markets, we are well-positioned to reach and exceed our £100m revenue target.

Driving our win rate in FY25 and beyond

The Group has a considerable pipeline of sales opportunities, which includes some of the world's largest retailers. Our current pipeline has doubled in size compared to 12 months ago, reflecting our significant growth across a diverse range of geographies and sectors. We have agreed four key programmes of work to accelerate our pipeline conversion rate:

Increased focus on 'Win' within our sales organisation, supported by a more mature sales process

We are changing the sales effort both structurally and through partnerships to increase our focus on winning. Our sales teams' responsibilities have now been split into Win focused roles, Account Managers and Customer Success, aimed at winning new customers and better managing the customer lifecycle. We have restructured existing roles and reengineered our customer management process as well as investing in both technical sales resource and partnerships, to make a meaningful difference in generating ARR. We have also implemented the MEDDPICC sales process which has enhanced forecasting, information accuracy and responsiveness, supporting our next stage of growth. This evolution is complemented by increased global marketing efforts within a controlled budget, as we continue to seek to achieve operational leverage.

Increased focus on alliances to expand the Group's reach

We are also sharpening our focus on partnerships to expand the Group's reach, with the goal of driving a significant increase in the percentage of Group revenue from partnerships. A key alliance is with Google, where we've made significant progress, securing several client wins via the Google partnership and building a substantial pipeline of opportunities globally thanks to joint marketing activity in the year. We are recognised as a top technology partner and have been included in their Integrated Commerce IVN (Industry Value Network).

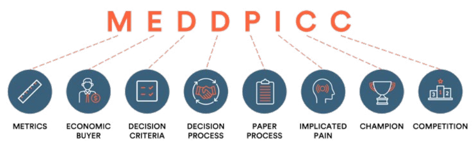
Integrations have always been at the heart of how Eagle Eye operates due to its central position within an integrated loyalty programme software stack.

Four key initiatives to help us drive win conversion

A focus on simplification and scale

1

New sales structure & processes in place



2

Partnerships

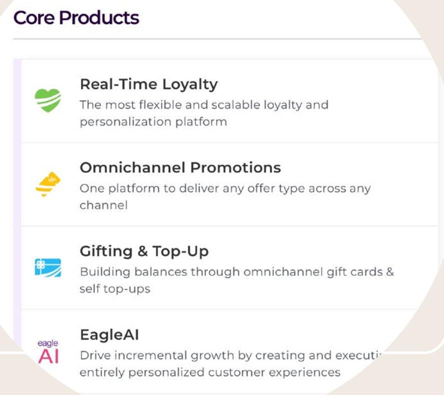
commercetools

Google Cloud

bloomreach

3

Packaging



4

Innovation

eagleAI

CEO STATEMENT – STRATEGY CONTINUED

Increased focus on alliances to expand the Group's reach continued

We are seeing this being increasingly important to retailers with standardised integrations now playing a crucial role in winning RFPs (Requests for Proposals), and we will continue to invest in this area. commercetools was an important technology partner launched in 2024, enabling commercetools' customers to access Eagle Eye AIR capabilities out of the box.

We are also enhancing our collaboration with systems integrators who can take on a greater proportion of the customer implementation work, meaning that as our revenue grows, so can our global implementation capacity. Our Delivery Team will work in conjunction with these new partners to ensure high customer satisfaction is maintained. We are also actively seeking partnerships for future geographic expansions, including a referral scheme with select partners.

Increased productisation of our technology to facilitate simplified sales discussions and easier integration and implementation

As part of enabling greater growth through alliances, we are focused on making our technology more digestible by creating more packaged offerings alongside standardising and simplifying documentation and support collateral. While still allowing for customisation, these packaged products will simplify implementation for both us and our future partners, driving efficiency and profitability. This approach also enables a streamlined and accessible solution for the mid-size market, making it easier to use and maintain. Overall, our emphasis is on simplification and focus, ensuring an efficient and effective offering.

Continued innovation, particularly within EagleAI, to capitalise on the growing interest in AI-powered personalisation execution

The Untie Nots offering has now been fully rebranded as EagleAI. EagleAI currently powers two core solutions, with a clear future roadmap. Personalised Challenges were launched in 2017 and Personalised Promotions launched in 2024. Cloud technologies have made AI considerably more accessible, and our approach is to build modules to enable customers to buy applied AI in manageable 'chunks', rather than having to take on a major additional platform. We will work with a client on the development of each use case, to ensure it has clear ROI at point of launch and a strong market fit.

EagleAI won several customers through these two solutions in the year, as detailed in the operational review below, which will drive significant Eagle AI revenue growth in FY25, from contracts already secured.

2025 will see the launch of the Personalised Flyer, with France's leading Grocer, E.Leclerc, as our reference customer. The offering leverages Eagle Eye's existing and new AI machine learning capabilities to create a digital, highly personalised version of the traditional grocery flyer, a promotional tool for advertising sales, discounts and special offers which is either distributed via print or made available online. Promotional flyers attract customers, encourage larger purchases, and help retailers clear inventory, but are largely still mass produced. Our flyer will be personalised for each customer, making it a far more effective marketing tool.

This new product strengthens our offering in the French and US markets in particular, where the use of digital flyers is well established, particularly in France as the use of paper flyers has recently been banned and where E.Leclerc will serve as a strong reference customer.

In FY25 we will also continue with the development of applications that develop audience building, personalised prices and personalised content.

Outlook

The case for adopting personalisation is stronger than ever and those that have adopted personalisation are increasingly using it for a greater number of applications. We believe only Eagle Eye can meet this growing enterprise demand with the necessary speed, scalability, stability and security.

The world of loyalty is evolving at pace and Eagle Eye's market-leading reputation as the provider of personalised marketing at scale, and the increasing opportunities available to us through the Group's new AI-based offerings, provide us with a strong foundation for long-term growth.

We have a significant sales pipeline, including some of the leading businesses across multiple sectors and geographies, and have implemented new initiatives to drive our win rate. The wins secured at the end of FY24 and at the start of the new financial year have meant we entered FY25 in a strong position to drive further growth throughout the year and beyond. With healthy levels of cash generation, a growing international customer base and new AI-based offerings, the Board looks to the future with confidence.

Delivering against our strategic framework

1 Customer strategy: Win, Transact, Deepen

We continued to successfully deliver across the three areas of our customer strategy in the year – Win, Transact and Deepen.

- '**Win**': bring more customers into the Group;
- '**Transact**': drive volumes; and
- '**Deepen**': encourage our customers to adopt more of our product portfolio.

Win

A key focus for the Group is to drive our win rate for future growth. During the year, we secured a good level of wins across our key geographies; we now have ten customers in North America and a growing presence in Europe and Asia, alongside our long-standing UK presence. Our high level of customer retention means that each new customer win significantly adds to our growth prospects, through customers' expanding the use of the platform and the addition of new services over time.

Key AIR wins in the year include a five-year loyalty contract with a large pet supply company in North America, a three-year contract with one of Australia's leading drinks and hospitality businesses, Endeavour Group, and a five-year contract with Pattison Food Group (PFG), Western Canada's largest grocery retailer, which included a contract for Personalised Promotions from EagleAI.

In the final month of the year and at the start of FY25, we secured a number of new AIR customers including a three-year contract with Central Retail Vietnam, the Group's first customer in Vietnam, a three-year contract with a retailer in a new industry of Fuel and Convenience in New Zealand, a three-year contract with RONA in Canada, and a five-year contract with Waterstones Booksellers Limited in the UK. The wins will commence revenue contribution through the course of FY25, providing a strong basis for further growth through FY25 into FY26.

EagleAI also secured a good level of new customers, particularly in the second half of the year, including PFG, as mentioned above, Tesco Stores Ltd, Morrisons and French retailers Picard Surgeles and Chronodrive, EagleAI's first eCommerce customer.

Transact

Chargeable AIR redemption and loyalty interaction volumes, a key measure of usage of Eagle Eye AIR, increased by 14% to 3.8 bn (2023: 3.3 bn). This was driven in particular by the Woolworths Group contract, which expanded into new use cases and a major expansion into Woolworths' New Zealand business, adding a further 1.6 million loyalty members to the programme. Total Application Programming Interface (API) requests via AIR increased by 27% year-on-year to 89.9bn (FY23: 70.1 bn). Transaction volume growth was also driven by the growing success of Asda's loyalty programme, Asda Rewards, and in the latter part of the year by Morrisons.

1 Win, Transact, Deepen continued

Deepen

The Group's performance was supported by the deepening of existing relationships, including expansion with Woolworths Group and Asda and Morrisons in the UK, as described above. Further customer expansions include Staples US Retail and the deepening of our partnership with Mitchells & Butlers through the launch of its Employee Rewards app as well as an app targeting suppliers, providing discounts at venues across the UK.

We have also seen good levels of deepening for EagleAI, the Group's AI-based personalised promotions offering, which expanded with existing customers, including both Carrefour and E.Leclerc, who have signed a 24-month renewal for the Personalised Challenges product, which is to be delivered through the Google Cloud Marketplace. They are also the flagship customer for the new Personalised Flyer product.

The continued expansion with customers and strong progress with EagleAI contributed to growth in ARR of 19% to £39.7m as at the year end, providing a solid foundation for growth in FY25.

2 Innovation

Innovation sits at the heart of everything we do at Eagle Eye. As one of seven core company values, we pride ourselves on innovating both with and for our customers to deliver value which ultimately helps the businesses we work for better delight their consumers. Innovation has enabled us to continually deliver new solutions to the market in the year which differentiate us and enable us to provide added value to our core customer base. We were delighted to be named the 7th most innovative marketing technology company globally by the TMW 100 awards, where we also received the prestigious Judges' Pick accolade.

Innovation is in our DNA and we will continue to celebrate our teams for delivering new capabilities as it is critical to our future success. We have continued to innovate to expand the Group's addressable market, focusing on our AI-based offering, EagleAI, validated by initial customer wins described above.

From an AIR platform perspective, our key focus has been on continuing to develop new functionality to ensure that we are the most complete and most flexible loyalty and promotions personalisation platform on the market:

Real-Time Loyalty key feature developments:

- Advanced loyalty tiering capability which allows retailers to flex how customers can earn their way into different tiers, as well as being able to dictate different rules for how loyalty points can be earned and spent within unique tiers.
- Support for savers and short-term collectible schemes e.g. Christmas Saver pots.
- Pending points capability to prevent points being spent during a product refund period.
- Auto-converting points to vouchers at pre-configured milestones.

Extending our unique Cloud-Based Adjudication service:

- Support for product exchanges to provide a seamless and accurate exchange process, adjudicating changes to the basket to ensure that all discounts, points and rewards are correctly managed.
- Developed a new adjudication capability to allow retailers greater flexibility to process adjustments and award customers points against previous transactions.

Delivering new capabilities to support customers in new sectors and geographies:

- Universal coupon codes for eCommerce journeys e.g. BLACKFRIDAY10.
- Multi-stage points/discount fulfilment; ensuring customers are only correctly rewarded once their items have been delivered.
- commercetools integration to enable retailers to access AIR's loyalty and promotional functionality directly through the commercetools platform.
- Increased support for new sectors e.g. fuel-specific loyalty scheme and promotional management.
- Developed new capabilities to support our expansion into new markets such as localising our AIR dashboard into new languages.

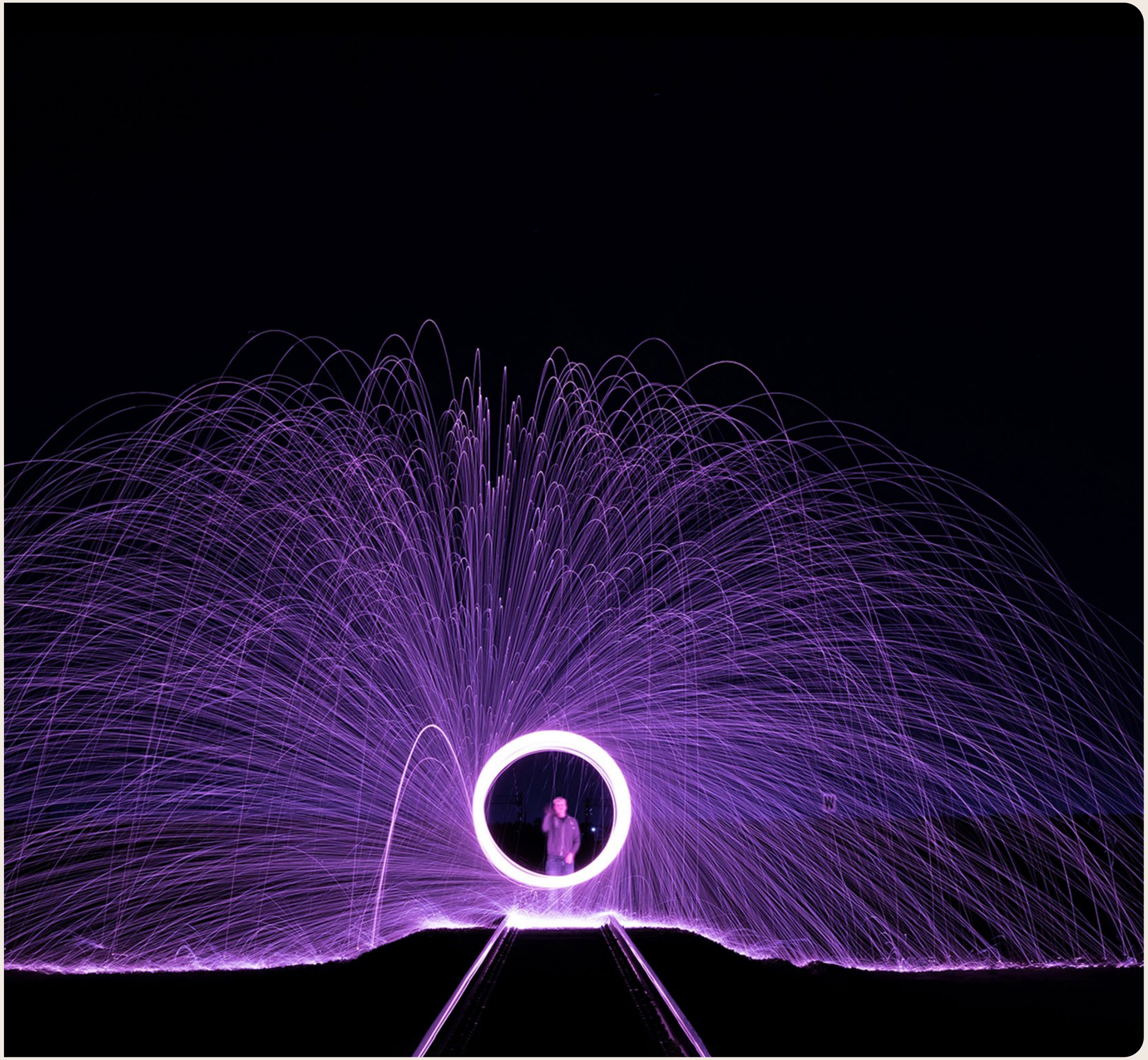
Continuing to focus on leading the market when it comes to platform speed and scale:

- Scaled our ability to transact up to 10,000 transactions per second.
- Reduced our key API response times for retailer critical systems e.g. Point of Purchase, by 50% to under a quarter of a second.
- Streamlined data flows and coupon allocation processes, enabling us to deliver billions of personalised offers worldwide every week, twice as fast as we could just a year ago.

2 Innovation continued

Internal use of AI

Following on from the explosion of AI use cases across businesses globally, we have successfully embedded AI across all our teams, with the aim to run the business in a Better, Simpler, Cheaper way. We're using AI within our operations teams to help understand our monitoring and alerting data, meaning we can respond quicker to issues and incidents; our engineers are using AI to assist with writing and testing code, and our sales teams are using AI to help manage their deals and accounts, reducing the time spent on day-to-day work. The biggest deployment of AI has been rolling out an enterprise search tool, which sits across all the tools our teams use on a daily basis, allowing them to quickly find the right information and knowledge, and chat with the data that exists in those platforms. We estimate we can save around 70,000 man-hours a year with this capability alone. In the year we rolled out AI training across the business, so our employees can make best use of AI, including gaining a better understanding of the use cases AI can help with, and courses on prompt-engineering, so we can all make the most of generative AI. We have added an AI module to our onboarding programme, so all new starters hit the ground running. All this is being done to gain efficiencies, allowing us to reinvest the time we're saving to support our growth.



3 International Growth

As described above, we have footholds in many of the major, high growth loyalty markets around the world, with considerable potential for further expansion.

The benefits of our investment into international expansion to date are evident in the high number of international customers secured in the year, with highlights including the expansion of our North American customer base to ten and entry into the DIY sector via RONA in Canada; in APAC our first customer win in Vietnam and entry into the Fuel and Convenience sector in New Zealand; and in France multiple new EagleAI customers including our first pure eCommerce business.

We continue to see opportunities for international expansion:

- Within our established European markets, we are focused on the cross sell of AIR into EagleAI's customer base and will continue to deepen existing AIR customers with EagleAI products as we have done with the likes of Morrisons, Tesco and Asda.
- In the DACH region, where we are just at the start of our journey.
- North America, the largest promotions and loyalty market in the world, for which our soon to launch Personalised Flyer offering is particularly relevant.
- In APAC we now have strong reference customers in Australia, New Zealand, Taiwan and Indonesia, and have secured our first customer in Vietnam.

In order to capitalise on this increased presence and opportunity, we increased investment in marketing activities in the year, attending more trade shows than before across multiple regions, increasingly alongside our partner, Google. In FY24, Eagle Eye attended 36 trade shows and events, up 112% from 17 in FY23. This has significantly contributed to an increase in the number of opportunities entering our sales pipeline across all geographies as retailers look to drive customer loyalty through personalised promotions, at scale.

North America	EMEA	APAC
+9%	+6%	+39%

4 Better, Simpler, Cheaper

While investing in innovation and growing the business, we simultaneously look for inherent productivity and efficiencies coming from the scale of what we do. The Group has maintained strong cost discipline, delivering adjusted EBITDA ahead of original market expectations, increasing by 28% to £11.3m (FY23: £8.8m). This was alongside good growth in adjusted EBITDA margin to 24% (FY23: 20%) demonstrating the operating leverage within the business and ongoing 'better, simpler, cheaper' initiatives.

Read more about the Board on page 37

5 Mergers and Acquisitions

The successful acquisition of EagleAI demonstrates the benefits Eagle Eye can bring to other businesses looking to scale, and the benefits they can bring to the Group. We have a proven, strong organic growth strategy, and any future M&A can be considered as a lever for accelerating us towards our vision to be a £100m revenue business generating 25% EBITDA margin.

Our people

At Eagle Eye, creating value for our customers is central to our success, driven by our Purple People who follow the Golden Rule: treating others as they wish to be treated. This principle is at the core of both our world-class culture and our effort to power the personalised marketing revolution globally. Our commitment was recognised this Year, as we ranked 7th in the Best Companies to Work For and 5th in Technology's Best Company to Work For in the UK. Whilst we are proud of this achievement, we are consistently aiming higher and have ambitions to be the best company to work for.

Following the AGM in November 2023, Malcolm Wall retired as Chair of Eagle Eye. We thank him for his significant guidance since 2014. Anne de Kerckhove, our new Chair, brings extensive experience in technology, media and entertainment, and has already made positive contributions to the Group. We are excited to have her lead us into the next stage of growth.

Tim Mason

Chief Executive Officer

We are committed to high standards of ESG

focused on materiality and making a difference

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

As a Board we are committed to high standard of Environmental Social Governance ('ESG') with a focus on change that makes Eagle Eye a better business. We made good progress against our stated objectives during the year, building on our existing foundation of responsible business practice. Key to any policy is benchmarking and data, and we are measuring our progress through KPIs and comparing them to the market median to allow focus on areas of improvement.

We will continue in the year ahead to build on the work to date.

The Group remains committed to high standards of ESG as set out in the table below:

	Units	FY23	FY24	Better than median
Environmental				
Energy consumption	MWh/£m	4.21	Offset	√
CO_2 emissions from travel	tonnes	106	130	√
Water consumption	m^3/£m	0.13	De minimus	√
Waste consumption	Tonnes/£m	N/A	N/A	
Has an environmental or sustainability policy?	Yes/no	Yes	Yes	√
Social				
Employee turnover rate	%	14	15	√
Employee NPS	No	66	54	√
Median Gender Gap	%	19	17	√
Has discrimination policy?	Yes/no	Yes	Yes	√
Has community outreach policy?	Yes/no	Yes	Yes	√
Has ethics policy?	Yes/no	Yes	Yes	√
Governance				
% Women on Board	%	29	43	√
% Independent Directors*	%	43	43	X
CEO pay as multiple of UK median	x	x14	x12	√
Is CEO & Chairman role split?	Yes/no	Yes	Yes	√
Adheres to QCA code?	Yes/no	Yes	Yes	√

* Deemed appropriate with the knowledge and skills of the Board overall

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) CONTINUED

E

Environmental

- Our environmental footprint is low – we eliminate paper with our digital solution
- Key tech suppliers take environmental targets seriously
- 'Virtual First' reduces our carbon footprint from travel – planted trees to offset

S

Social

- Our goal is to be the best company to work for, which we believe will make us the best company to work with. Our people are our greatest asset
- Continued our charity partnership with 52 Lives helping individuals and families in need. Raised nearly £40k in FY24
- We have multiple, exec-sponsored ERG groups including Purple Women, Purple Pride, Neurodiversity, Purple Minds, the Cultural Collective, Values Champions, Charity Committee and more, all of which bring members of our global team together to inspire, educate and drive positive change in our business

To read more about how we support our people, go to page 23

G

Governance

- Strong governance framework – QCA code followed
- Exec level ownership with Lucy Sharman-Munday being the owner of our ESG initiatives
- KPIs to assess and monitor key aspects of ESG
- The Group remains committed to high standards of ESG as set out in the table on page 24

FINANCIAL REVIEW

A year of profitability with strong growth in ARR and EBITDA

Revenue, profits and cash flow

Revenue

£47.7m

FY23: 43.1m

+11%

Profit after tax

£5.7m

FY23: £1.2m

+383%

Closing net cash position

£10.4m

FY23: £9.3m

+12%

Key Performance Indicators

Financial		FY24 £m		FY23 £m	Var
Revenue		47.7		43.1	11%
Subscription and transaction revenue:					
AIR licence revenue	£14.8m	31%	£14.1m	32%	5%
AIR transaction revenue	£16.8m	35%	£15.7m	37%	7%
EagleAI licence & transaction revenue	£4.4m	9%	£2.2m	5%	100%
SMS transaction revenue	£1.4m	3%	£2.4m	6%	(42)%
Total subscription and transaction revenue	£37.5m	79%	£34.5m	80%	9%
Annual recurring revenue		39.7		33.3	19%
Net revenue retention rate		109%		137%	-28ppt
Adjusted EBITDA[1]		11.3		8.8	28%
Adjusted EBITDA[1] margin		23.6%		20.4%	3.2ppt
Profit after tax		5.7		1.2	383%
Net cash[2]		10.4		9.3	12%
Cash and cash equivalents		10.6		10.6	0%
Financial liabilities		(0.2)		(1.3)	(87)%

Non-financial	FY24	FY23	Var
Chargeable AIR redemption & interaction volumes	3.8bn	3.3bn	14%
Long-term contract customer churn by value	1.7%	0.2%	1.5ppt

1. Adjusted EBITDA excludes costs and changes in the fair value of contingent consideration associated with the acquisition of EagleAI, share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit and is reconciled to the GAAP measure of profit before taxation in Note 21 to the Consolidated Financial Statements.
2. Net cash is cash and cash equivalents less financial liabilities.

Group results

Revenue

The Group's Annual Recurring Revenue (ARR), which is our period exit rate for recurring AIR and EagleAI (formerly Untie Nots) 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, increased by 19% to £39.7m (FY23: £33.3m). The growth rate in ARR is higher than the overall revenue growth due to the timing of new wins and the impact of the expected reduction in SMS messaging revenue in the year (which is not included in ARR). New contracts secured post-year end have increased ARR further, as additional 'win' initiatives start to deliver results. This ARR growth included strong progress with EagleAI and provides a good foundation for the year ahead, as the timing of wins means that revenue recognition from these contracts will benefit FY25 onwards.

Revenue growth for the Group was 11% for the year (FY23: 36%). Recurring revenue grew by 9% to £37.5m (FY23: £34.5m) as clients continued to grow volumes as they take on new services and reflecting the full year impact of the acquisition of EagleAI in FY23, offset by the 42% reduction in SMS revenue. This was supported by growth in professional services revenue of 20% to £10.2m (FY23: £8.6m). Under IFRS 15, a SaaS business will typically recognise revenue (including implementation revenue from professional services) over time. In some cases, this means implementation revenue is now recognised over the period the service is live. Therefore, during the period of implementation for a new client, which is typically between two and six months, no revenue will be recognised. Directly attributable associated costs are also spread over the same period, matching revenue and costs. Revenue from professional services that has been deferred into future periods, but delivered and billed, was £5.9m at 30 June 2024 (30 June 2023: £5.8m).

The Group has continued to deepen client relationships resulting in a Net Revenue Retention (NRR) rate, which is the improvement in recurring revenue excluding new wins in the last 12 months, of 109% (FY23: 137%). This reduction reflects both a UK grocery customer contract reaching the end of its lifecycle in September 2023 and the timing of wins being later in the year and thus reducing their impact in the reported number. Excluding the impact of the UK grocery customer, NRR in FY24 would be 117%. Chargeable AIR redemption and loyalty interaction volumes, a key measure of usage of the AIR platform, increased by 14% to 3.8bn (FY23: 3.3bn), ahead of the growth in recurring subscription and transaction revenue, reflecting increasing transactional usage of the platform by all our grocery clients, in particular for loyalty transactions where we have seen key customers such as Woolworths and Asda continuing to move through their contract cycle with volumes from their services increasing within their existing licence and transaction fee charging bands.

The Group successfully maintained a low rate of long-term contract customer churn by value at 1.7% (FY23: 0.2%). This reflects the scale and breadth of the AIR platform's offering in meeting our customers' needs. The increase in the year primarily reflected the cessation of the contract with the one UK grocery customer mentioned above, which had not been fully integrated to the AIR platform.

Revenue growth

£47.7 m

FY23: £43.1m

+11%

ARR

£39.7m

FY23: £33.3m

+19%

Gross profit

Gross profit grew 13% to £46.5m (FY23: £41.0m), with gross margin increasing to 97% (FY23: 95%) as the contribution to revenue from the lower margin SMS business continues to reduce; a trend which is expected to continue into FY25.

Costs of sales includes the cost of sending SMS messages, revenue share agreements, including the cost of sales made through the Google Marketplace, and outsourced, bespoke development work. All internal resource costs are recognised within operating costs, net of capitalised development and contract costs.

Direct profit

With the acquisition of EagleAI, the development of packages and continued reduction in the proportion of revenue generated from SMS messaging, the relevance of gross profit as a performance measure is declining. We are therefore developing a new measure of 'Direct' profit which more accurately reflects the margin directly generated by the revenue recognised in the year. In addition to the cost of sales as defined above, this measure also includes the cost of the AIR and EagleAI platforms (including associated software licenses) and staff costs for employees dedicated to the successful implementation and ongoing running of client services. In the year direct profit increased to £34.9m (FY23: £31.1m) with margin increasing from 72% to 73%. Our ambition is to see this margin continue to increase as the platform is made more efficient as transaction volumes continue to increase.

Adjusted operating expenses

Adjusted operating costs were controlled broadly in line with revenue growth and increased by 10% to £35.4m (FY23: £32.3m) as the business invested in line with our growth model. These operating expenses, which exclude a credit in the year of £1.3m related to the release of contingent consideration and FY23 costs of £1.3m associated with the acquisition of EagleAI, represent sales and marketing, product development (net of capitalised costs), operational IT, general and administration costs.

Staff costs increased 11%, in line with revenue growth, to £27.5m (FY23: £24.8m) which was for the most part attributable to an increase in average headcount for the year to 257 (FY23: 222), reflecting the full year impact of the acquisition of EagleAI in FY23. We continue to invest in developing our products, and in sales and marketing to support our growth plan; within staff costs, gross expenditure on product development increased to £7.6m (FY23: £6.9m) and sales and marketing spend was £6.3m (FY23: £4.8m), driven by a 37% increase in marketing spend, including increased attendance at trade events, which has helped to generate the increase in ARR through wins in the latter half of the year.

IT Infrastructure costs grew to £9.6m; representing 26% of recurring revenue (FY23: £8.1m; 23% of recurring revenue), reflecting the full period impact of the acquisition of EagleAI as well as the continued investment in the speed, stability and security of the platform.

Work continues to optimise the efficiency of our infrastructure as we continue to grow.

Capitalised product development costs were £2.9m (FY23: £2.6m), whilst amortisation of capitalised development costs was £2.9m (FY23: £2.5m). Contract costs (including costs to obtain contracts and contract fulfilment costs), recognised as assets under IFRS 15, increased to £3.8m (FY23: £2.8m), primarily reflecting the implementation of new wins during the year, some of which were yet to go live at 30 June 2024, and amortisation of contract costs was £3.6m (FY23: £1.7m).

Adj. EBITDA

£11.3m

FY23: £8.8m

+28%

Adj. EBITDA %

24%

FY23: 20%

+4pps

Adjusted EBITDA and profit/(loss) before tax

Continued controlled investment spend in the year has resulted in continued growth in organic adjusted EBITDA margin to 25% (FY23: 21%). Reflecting its earlier stage of growth, EBITDA margin for EagleAI increased to 6% (FY23: 4%), resulting in an adjusted EBITDA margin for the Group increasing to 24% (FY23: 20%). Adjusted EBITDA was up 28% at £11.3m (FY23: £8.8m) for the year.

To provide a better guide to the underlying business performance, adjusted EBITDA excludes the FY23 costs of the acquisition of EagleAI and FY24 credit of contingent consideration associated with that acquisition, along with share-based payment charges, depreciation, amortisation, interest and tax from the measure of profit. The GAAP measure of operating profit before interest and tax was £0.8m (FY23: loss of £(0.6)m).

This reflects the improved EBITDA performance, the £1.3m credit related to the release of contingent consideration on the acquisition of EagleAI in FY24 and the FY23 costs associated with the acquisition of EagleAI (£1.3m), offset by amortisation which increased to £8.9m (FY23: £5.7m), primarily as a result of intangibles recognised under IFRS 3 on the acquisition of EagleAI and the increased non-cash share-based payment charge of £2.8m (FY23: £2.4m), reflecting successful performance and the strong position the Group continues to be in to deliver increased revenue and profits, which are reflected in future, performance related, vesting assumptions.

The profit before tax for FY24 was £0.7m (FY23: loss of £(0.8)m), reflecting the improved operating profit before interest and tax. Net finance expense reduced to £0.11m (FY23: £0.14m) reflecting the repayment of the partial utilisation of the Group's revolving loan facility and debt acquired in the EagleAI acquisition.

Profit after tax, EPS and dividend

The improvement in underlying profitability during the year, in particular in the UK, has allowed the Group to forecast the further recovery of taxable losses brought forward from prior years with more certainty which has resulted in an increase in the deferred tax asset of £6.8m, reflecting historic losses brought forward now being recognised. Along with the continued successful R&D tax credit claims in the UK and France, this has resulted in an overall tax credit of £5.0m in FY24 (FY23: credit of £1.9m).

As a result, the Group's profit after taxation increased to £5.7m (FY23: £1.2m) and reported basic earnings per share improved to 19.47p (FY23: 4.25p) with diluted earnings per share of 17.36p (FY23: 3.79p).

No dividend is proposed this year (FY23: £nil) as the Group continues to invest in a managed way to pursue our growth strategy.

Group Statement of Financial Position

The Group had net assets of £34.1m at 30 June 2024 (30 June 2023: £24.0m), including capitalised intellectual property of £5.4m (30 June 2023: £5.3m). The movement in net assets primarily reflects the profit made during the year, which has given further confidence to future profits allowing the recognition of deferred tax assets for the utilisation of losses carried forward which arose as Eagle Eye invested for successful growth in prior periods.

Net current assets increased by £3.5m primarily due to a lower bonus accrual offset by lower receivables, primarily reflecting improved debt collection. In addition, the cash generated in the year was utilised to make repayments against the Group's revolving credit facility and the debt acquired with EagleAI. Liabilities decreased by £6.4m primarily due to this repayment of debt, deferred consideration paid to the vendors of EagleAI and contingent consideration released and a lower bonus accrual, reflecting lower revenue growth in the year compared to previous periods.

Cash flow and net cash

The Group ended the year with net cash of £10.4m (30 June 2023: £9.3m). Overall net cash inflow for the year was £1.1m.

The main cash movements were:

- the conversion of the improved EBITDA profitability during the year;
- capital investment in the AIR and EagleAI platforms and other infrastructure of £3.3m (FY23: £2.6m), as well as contract costs capitalised under IFRS 15 of £3.6m (FY23: £2.8m);
- repayment of debt of £1.1m (FY23: £1.6m);
- payments in respect of leases of £0.6m (FY23: £0.2m);
- net tax payments of £0.3m (FY23: net tax receipt of £0.9m) reflecting that the payment for R&D tax credits in France has been delayed by six months following the change of accounting period of the French subsidiary; and
- £0.7m deferred consideration paid for the acquisition of EagleAI.

Banking facility

The Group has remained comfortably within its banking covenants which relate to the Group's debt ratio and adjusted EBITDA performance. The Group continues to hold a £5.0m revolving loan facility with HSBC Innovation, with an additional £2.5m accordion facility available, subject to credit approval at the time. The Group is currently well advanced in the renewal of the facility. This provides the business with security and flexibility over its financing options to deliver on its growth aspirations. The Group's gross cash of £10.6m (FY23: £10.6m) and the currently unutilised £5.0m facility (FY22: £4.0m undrawn), less £0.2m debt of EagleAI, gives the Group £15.4m of headroom, which, allied to growing levels of profitability and organic cash generation, the Directors believe is sufficient to support the Group's current organic growth plans.

The Group hedges elements of our foreign currency net receipts to ensure that it is protected from significant and sudden adverse movements in foreign currency exchange rates. There were no open hedges at 30 June 2024 (30 June 2023: none).

PRINCIPAL RISKS AND UNCERTAINTIES

Evolution of the market

Description

The Group operates in an evolving market and there is a possibility that the rate of growth in loyalty and personalised solutions will not match independent predictions or that users of mobile devices will change their behaviour with respect to mobile commerce. The Group's services are new and continually evolving and it is difficult to predict the future growth rates, if any, and the size of these markets. Even if the market for the Group's products develops as anticipated, the Group may face severe competition from other businesses offering similar products and services and there can therefore be no assurance that the Group will be able to secure customers for its products and services on acceptable terms and conditions, or successfully adjust the Group's strategy to meet the changing market dynamics.

The Group is in and continues to enter new international markets and not all of these markets may be at the same stage of development. The Group may face competition from other local businesses in those territories offering similar products and services and there can therefore be no assurance that the Group will be able to secure customers for its services on acceptable terms and conditions, or successfully adjust the Group's strategy to meet the different dynamics, languages and cultures of these new markets.

Mitigation

These risks are mitigated by continued investment in the product, based on customer needs and requirements, to stay ahead of the competition and by the strength and experience of the Group's management team, including through retention of key management in international acquisitions.

Technological changes could overtake the products being developed by the Group

Description

The Group's business is dependent upon technology which could be superseded by superior technology, more competitively priced technology or a shift in retail practices which could affect both the potential profitability and the saleability of the Group's product offering. Staying abreast of technological changes may require substantial investment. The Group's existing software products need to develop continually in order to meet customer requirements. The Group may encounter delays and incur additional development and production costs and expenses, over and above those expected by the Directors, in order to develop suitable technologies and products. The technology used in the Group's products continues to evolve, for instance with the further development of AI capabilities, and is highly complex and may change rapidly. Research and development by other companies may render any of the Group's products in development, or currently available, obsolete.

Mitigation

This risk is primarily mitigated by the quality of the technical staff recruited, investment in defining and refining the product roadmap and the use of the agile development methodology. Our business model allows for investment for growth; an important pillar of that investment is into the product.

Protection of intellectual property

Description

The Group's success and ability to compete effectively are in large part dependent upon exploitation of proprietary technologies and products that the Group has developed internally (including through the acquisition of EagleAI), the Group's ability to protect and enforce its intellectual property rights so as to preserve its exclusive rights in respect of those technologies and products, and its ability to preserve the confidentiality of its know-how. No assurance can be given that the Group will develop further technologies or products which are patentable, that patents will be sufficiently broad in their scope to provide protection for the Group's intellectual property rights against third parties, or that patents will have been granted in all new territories which the Group enters.

Patents pending or future patent applications may not be granted and the lack of any such patents may have a material adverse effect on the Group's ability to develop and market its proposed products. Where patents have been granted the Group may not have the resources to protect any such issued patent from infringement. There is a significant delay between the time of filing of a patent application and the time its contents are made public, and others may have filed patent applications for subject matter covered by the Group's pending patent applications without the Group being aware of those applications. The Group's patent applications may not have priority over patent applications of others and its pending patent applications may not result in issued patents.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Protection of intellectual property continued

Description

Even if the Group obtains patents, they may not be valid or enforceable against others. Moreover, even if the Group receives patent protection for some or all of its products, those patents may not give the Group an advantage over competitors with similar products. Furthermore, the Group cannot patent much of the technology that is important to its business. If the Group fails to obtain adequate access to, or protection for, the intellectual property required to pursue its strategy, the Group's competitors may be able to take advantage of the Group's research and development efforts.

Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

Mitigation

These risks are mitigated by enforcement of the Group's pending and granted patents under applicable patent laws and non-disclosure agreements to protect its intellectual property rights.

Product risk

Description

The Group's business involves providing customers with highly reliable software and services. If the software or services contain undetected defects when first introduced or enhanced, the Group may fail to meet its customers' performance requirements or otherwise satisfy the contract specifications. As a result, it may lose customers and/or may become liable to them for damages. Additionally, the Group is committed to developing products for its customers on a set timeline. However, the pace of progress of the development projects may not be as expected and the Group could fail to meet its customers' timing or performance requirements which may lead to it becoming liable to those customers for damages and suffering damage to its reputation.

Mitigation

These risks are mitigated by the Group managing its product delivery using an agile methodology, having liability insurance in place and endeavouring to negotiate limitations on its liability in its customer contracts.

Infrastructure risk

Description

The Group has service level commitment obligations with some of its customers in which it provides various guarantees regarding levels of service. The Group may not be able to meet these levels of service due to a variety of factors, both inside and outside the Group's control. If the Group fails to provide the levels of service required by the agreements, such customers may be entitled to terminate their contracts or may choose not to enter into new work orders with the Group and this may also damage the Group's reputation and reduce the confidence of the Group's customers in its software and services, impairing its ability to retain existing customers and attract new customers.

Mitigation

To mitigate against this risk, the Group has service level agreements in place with key suppliers and has multiple suppliers and operates its services in the cloud to ensure continuity of service to its customers.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Reliance on key suppliers

Description

The Group is dependent on a small number of key suppliers for the hosting of its IT infrastructure and delivery of messaging services. A disruptive event affecting any one of these suppliers could mean that the Group is unable to meet its customers' timing or performance requirements. As a result of these risks, the Group may lose customers, may become liable to those customers for damages and may suffer damage to its reputation.

Mitigation

To mitigate against this risk, the Group has service level agreements in place with these key suppliers and has multiple suppliers/sites, including live disaster recovery sites, to ensure continuity of service to its customers.

Online security breaches, data loss and fraud

Description

Security breach and fraud remain key concerns in the online world and any security breach or fraud event might deter consumers from purchasing goods via online voucher and offer content or using a Digital Wallet. Any move away from using the mobile channel whilst purchasing goods could have a negative impact on the Group's growth prospects and revenues.

Security breach and fraud may also lead to regulatory investigations, sanctions (including fines) and litigation with clients and consumers. Any regulatory investigation or litigation may be costly and may divert efforts and attention of the Group's key management and other personnel and resources, may cause wider reputational damage to the Group and may result in existing clients terminating contracts and deter potential new clients from becoming actual clients.

Any compromise of the Group's systems, security breaches or data loss may result in the temporary inability of the Group to operate its services and clients' mobile sites and applications and therefore may have a detrimental impact on the Group's revenues, both directly through the inability of the Group's clients to trade or of the Group to authenticate offers, and indirectly through loss of confidence in the security of the Group's platform.

Mitigation

In line with its ISO 27001 accredited and SOC 1 compliant procedures, the Group uses third party security and data compliance services to monitor and mitigate against this risk, in addition to client specific security testing, and has robust business continuity procedures in place.

Dependence on key customers and sectors

Description

The Group is dependent on a number of key contracts and partner relationships for its current and future growth and development. A limited number of clients account for a large percentage of the Group's revenue, although this reliance is being diluted as new enterprise clients are won, aided by the continuing low rate of client churn and high levels of annual recurring revenue. Whilst the Group endeavours to enter and renew long term agreements with its clients, there can be no assurance that clients will continue to be secured on acceptable terms and conditions.

The Group is also focused on the Grocery, Food and Beverage and Retail sectors. Although a downturn in each of these sectors can result in increased demand for the Group's services, as discounts and offers are used to encourage footfall, a long term downturn could have a negative impact on the Group's growth prospects and revenues.

Mitigation

This risk is mitigated by the Group's focus on revenue growth diluting the dependency on key clients, aided by the Group's geographical spread, continued refinement of its products for entry into new sectors and use of new technologies.

Employee recruitment and retention

Description

The ability to continue to attract and retain employees with the appropriate expertise and skills cannot be guaranteed. Finding and hiring top talent can be costly and might require the Group to grant significant equity awards or other incentives, which could adversely impact its financial results. The Group's future development and prospects depend to a significant degree on the experience, performance and continued service of its senior management team. Effective product development and innovation, upon which the Group's success is dependent, is in turn dependent upon attracting and retaining talented technical and marketing employees, who represent a significant asset and serve as the source of the Group's technological and product innovations. In addition, to continue to expand the Group's customer base, increase sales and achieve growth generally, the Group will need to hire additional qualified sales personnel as well as in administrative and operational support functions. If the Group is unable to hire, train and retain such talent in a timely manner an undue burden could be placed on existing employees, the development and introduction of the Group's products could be delayed and its ability to sell its products and otherwise to grow its business could be impaired, which may have a detrimental effect upon the overall performance of the Group.

Mitigation

To mitigate against these risks, the Group benchmarks salaries and has developed a remuneration policy which rewards loyalty, including through the use of a Growth Plan, and has the culture and people of the business at its heart.

Changes in applicable laws and regulations

Description

Laws and regulations governing internet and cloud-based services, related communication services and information technology, e-commerce, the processing of personal data, the processing of payment card data and mobile commerce in the United Kingdom and other territories continue to evolve and, depending on the evolution of such regulations, may adversely affect the Group's business.

Mitigation

This risk is mitigated for the Group by the Compliance Manager who is responsible for ensuring that all applicable laws and regulations related to the digital services provided by the Group are understood and addressed.

Exchange rate risk

Description

As the Group's international operations continue to grow, exchange rate fluctuations could have a material effect on the Group's profitability or the price competitiveness of its services.

Mitigation

The Group continues to review its exposure to such fluctuations and assesses the appropriateness of its strategies to mitigate this risk on a continual basis. The Group hedges future foreign currency cash flows to reduce the exposure to adverse movements. However, there can be no assurance that the Group would be able to compensate or hedge against such adverse effects and therefore negative exchange rate movements could have a material adverse effect on the Group's business, prospects and financial performance.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Integration of Acquisitions

Description

During the prior year, the Group acquired EagleAI, a rapidly growing SaaS company enabling retailers to deliver AI-powered, personalised challenges to customers at scale. Although positive progress has been made on the integration it is not complete and focus on the integration may divert efforts and attention of the Group's key management and other personnel and resources.

Mitigation

This risk is mitigated by the due diligence performed in advance of the acquisition and the retention of the key management of EagleAI within the Group.

Employee involvement

Description

The Group recognises and seeks to encourage the involvement of its employees, with the aim being the recruitment, motivation and retention of quality employees throughout the Group. The Group encourages employee performance through employee remuneration packages, including by granting share options, and by promoting its core values to employees. The Group ensures that employees are fully aware of financial and economic factors affecting its performance.

The Group's employment policies, including the commitment to equal opportunity, are designed to attract, retain and motivate employees regardless of sex, race, religion or disability. Equality of treatment includes full and fair assessment of applications and extends to training and continuing career development.

The Group is committed to ensuring and communicating the requirements for a safe and healthy working environment for all employees, consistent with health and safety legislation and, where practicable, gives full consideration to applications for employment from disabled persons.

The Group's Section 172 report can be found on pages 45 to 46

By order of the board

James Esson
Company Secretary

5 New Street Square
London
EC4A 3TW

17 September 2024

BOARD OF DIRECTORS

Anne de Kerckhove

Non Executive Chairman – A R

Anne has over 20 years of experience in leading some of the most innovative B2B and B2C technology, data, media, e-commerce and entertainment companies in Europe, both as an executive and as a board member.

After working as a banker in Canada and then a management consultant at the Boston Consulting Group in London, Anne decided to focus her career on technology and innovation.

Until December 2023, Anne de Kerckhove was CEO of Kaisa, a company in the customer experience orchestration space. Before that, Anne held several Managing Director roles in fast growing companies such as Videology and Inspired Gaming Group.

Anne has over ten years of UK public company board experience. Anne currently chairs Eagle Eye plc, Blackbird plc, The Pebble Group and Moneyhub. She is also SID at Evoke.

Anne holds a Bachelor of Commerce from McGill University and an MBA from INSEAD.

Anne is passionate about start-ups and has been an angel investor, mentor and LP in over 20 early-stage start-ups and entrepreneurial funds including CRE and Daphni. She is also a guest lecturer at INSEAD on innovation, leadership and entrepreneurship.

She is actively involved in promoting diversity on boards and within the technology industry and is a regular speaker at business conferences and events. Anne mentors 10 entrepreneurs each year.

Relevant skills and experience include:

- Technology industry
- AI and cloud computing
- Growth acceleration
- Public company board experience
- Senior leadership experience
- Global/international experience
- Mergers and acquisitions experience
- Governance, risk and compliance

Tim Mason

Chief Executive Officer

Tim joined as Chairman in January 2016, later moving to CEO in September 2016. Tim has over 30 years' experience within the grocery and retail industries, with a strong background in strategic marketing and customer loyalty. Previously Tim was a Managing Director at Sun Capital Partners and is currently a Non-Executive Director at Gousto. Prior to that he was Deputy CEO at Tesco from January 2010 to December 2012. He held a number of other roles within the Tesco Group including CMO for Tesco and CEO of Fresh & Easy LLC. Whilst at Tesco, Tim was instrumental in the creation of Clubcard, Express, Personal Finance and Tesco.com. Tim is also an author, of which the second edition of his book, "Omnichannel Retail – How to Build Winning Stores in a Digital World" was published in September 2023, providing an updated guide for retail marketers navigating an increasingly complex marketplace.

Relevant skills and experience include:

- Public company board experience
- Senior leadership experience
- Retail and grocery industries
- Omnichannel and loyalty
- Financial knowledge
- Strategy and innovation
- Governance, risk and compliance

Steve Rothwell

Founder and Chief Information Officer

Fuelled by a deep-seated passion for retail technology, Steve founded the Eagle Eye Group in 2003 to revolutionise the way retailers connect with their customers. Committed to the principle that people should be treated as they wish to be treated, Steve's aim is to build technology which enables businesses to craft personalised customer experiences that are both respectful and seamless. He is the visionary force behind the product's development, and is focused on leveraging cutting-edge technology to deliver exceptional customer interactions.

Before launching the Eagle Eye Group, Steve founded Eagle Eye Technology Limited, another landmark in his journey of technological innovation. His background also includes a formative role at Consult Hyperion, serving as a developer and technical consultant with a focus on both the payment and media industries.

Educated with a B.Eng in Electrical and Electronic Engineering from the University of Leicester, Steve's professional journey began with training as a software engineer at Ericsson, setting the stage for a career devoted to creating meaningful and ethical technology solutions.

Relevant skills and experience include:

- Technical expertise
- Omnichannel and loyalty
- Strategy and innovation
- Business and product development
- Leadership and vision

Lucy Sharman-Munday

Chief Financial Officer

Lucy joined the Group in 2014, her prior experience being in the technology sector. Her core role encompasses finance, governance and strategic growth, in addition she set up and is an ambassador of the 'Purple Women' initiative. She is also currently Non-Executive Director at Microlise Group Plc. Prior to joining Eagle Eye, she was the CFO of the 5one Group, helping retailers achieve a customer-centric strategy through analytics and software. She also worked for Adapt Group Ltd, a managed services company, and in 2006 at iSOFT plc was an integral part of the turnaround team that successfully sold the business to IBA Health Group at the end of 2007. Lucy began her career at KPMG in 1999 and is a member of the Institute of Chartered Accountants in England and Wales.

Relevant skills and experience include:

- Financial knowledge
- Public company board experience
- Senior leadership experience
- Strategy and growth
- Retail & technology industries
- Governance, risk and compliance

BOARD OF DIRECTORS CONTINUED

Charlotte Stranner

Non Executive Director – A

Charlotte joined the Group as an Independent Non-Executive Director in May 2023. She is currently CFO of AIM-quoted Dianomi Plc, a native advertising technology company and is also an Independent Non-Executive Director of Elixirr International Plc. Charlotte is a chartered accountant and was previously a Corporate Finance Director at finnCap and a partner at TMT investor MXC Capital.

Relevant skills and experience include:

- Financial knowledge
- Growth acceleration
- Public company Board experience
- Senior leadership experience
- Mergers and acquisitions experience
- Technology industry
- Governance, risk and compliance

Sir Terry Leahy

Non Executive Director

Sir Terry joined the Group as a Non-Executive Director in 2011. He became a Senior advisor to the CD&R funds in 2011 and serves as Chairman of BUT International and a Director of Motor Fuel Group. In his 32-year career at Tesco plc, Sir Terry helped to transform the company into the third-largest retailer in the world, serving in a number of senior positions including CEO from 1997 to 2011. During his CEO tenure, Tesco quadrupled both sales and profits, and expanded into new products, store formats, lines of business, and geographies. Sir Terry was chancellor of UMIST, his alma mater, from 2002 until 2004, when he became a co-chancellor of the newly-formed University of Manchester. He was honoured with a doctorate of Science from Cranfield University in June 2007. He holds various Chair and Executive Committee memberships which also include Chairman of the Board for Morrisons and Mobilux.

Relevant skills and experience include:

- Public company board experience
- Senior leadership experience
- Retail and grocery industries
- Strategy and innovation
- Mergers and acquisitions experience
- Governance, risk and compliance

Robert Senior

Non Executive Director – R

Robert joined the Group as a Non-Executive Director in 2018. He was previously Worldwide CEO of Saatchi & Saatchi. Robert is a partner at Redrice Ventures, Chairman of Boys & Girls, a Dublin based independent advertising agency, Chairman of Selbey Anderson a London based marketing services group, and is a Durham University Council member. He is on the speaker circuit and sits on the Castore sportswear board.

Relevant skills and experience include:

- Senior leadership experience
- Global/international experience
- Growth acceleration
- Financial knowledge
- Marketing industry
- Governance, risk and compliance

Board Committee Membership

A Audit Committee

R Remuneration Committee

Principles of Corporate Governance

The Directors recognise the importance of sound corporate governance and confirm that the Group is complying with the QCA Corporate Governance Code (as devised by the QCA in consultation with a number of significant institutional small company investors). The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. The Directors have explained how each principle is applied below. The Directors consider that the Group does not depart from any of the principles of the QCA Code.

Establish a purpose, strategy and business model which promote long-term value for shareholders

The Group's strategy is reviewed by the Board on an annual basis at a full day strategy event. The Group's strategy is to drive long-term value for shareholders, whilst addressing the risks highlighted on pages 32 to 36, from:

- Continued development of the Group's product offering;
- Revenue growth from both new and existing accounts;
- Realising opportunities in relevant new sectors and geographies both organically and through acquisitions; and
- Scaling the cost base efficiently with the objective of growing EBITDA in a controlled manner allowing for investment to drive revenue growth and generating cash in line with management expectations.

Promote a corporate culture that is based on ethical values and behaviours

The Group has seven core values that employees are recruited by (as well as skill) and are remunerated by (as well as achievement of objectives). These are:

- Excellence
- Innovation
- Integrity
- Passion
- Kindness
- Fun
- Teamwork

Excellence encapsulates what the Group calls 'the Purple Standard' and is what is looked for on a day-to-day basis from the Group's employees and suppliers.

The Board believes that a culture based on these values provides a competitive advantage and is consistent with fulfilment of the Group's strategy. The culture is monitored through the biannual employee appraisal process and through the use of a satisfaction and engagement survey which is performed annually. The executive leadership team reviews the key findings of the survey and determines whether any action is required.

Seek to understand and meet shareholder needs and expectations

In addition to shareholders being welcomed and provided the opportunity to speak to the Directors at the Annual General Meeting, the Group has a series of events designed to educate and listen to shareholders as set out below.

- Private investor sessions held twice per year for significant shareholders;
- Roadshows held twice per year for institutional investors;
- Meetings with significant shareholders when introducing significant changes to governance/remuneration arrangements, as applicable;
- Annual capital markets day event held covering general developments in the market and specific developments and strategy in our business; and
- Equity analyst and sell-side briefings held throughout the year for broader investor insight.

The Board takes note of dissenting views at the Annual General Meeting and works to address any shareholder concerns underlying those views.

Principles of Corporate Governance continued

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Group's key stakeholders are its shareholders (see "Seek to understand and meet shareholder needs and expectations" above), employees, customers and suppliers. Each has their own communication and interaction strategy:

- **Employees:** The Group operates a weekly video-conference 'town hall' for all employees that provides a business update and a forum to celebrate success and for employees to ask questions. There are also additional quarterly briefings to update employees on Company performance in the previous quarter and objectives for the next quarter. Along with quarterly employee NPS surveys, these events provide employees with an opportunity to provide feedback.

  This is supplemented by an annual 'Company Week' which is attended by all employees, providing strategic direction and Company objectives for the year ahead, a look back at progress and performance in the year and a recognition of those employees who have best demonstrated the Group's values. As part of the Group's values, we encourage employees to 'get involved'.

  The Group's clubs and societies such as netball, golf, theatre and hackathons all provide opportunities to do good and benefit society. The Group also has a charity committee which is responsible for organising events and identifying opportunities where the Group and its employees can assist those in need. The Group has chosen 52 Lives as its partner charity, supporting employee efforts in raising funds through various events. The Group has encouraged the formation of Employee Resource Groups and these include: mental health first aiders who are responsible for encouraging employee wellbeing and others promoting racial diversity and equality (our 'Purple Women' and 'Purple Pride' groups).

  We also ensure that employees are able to raise concerns through our formal whistleblowing policy which allows them to raise concerns they may have about the conduct of others in the business or the way in which the business is run, including detailing the appropriate person to make a report to and the process that is then followed. Under the policy any whistleblowers would be protected appropriately.

- **Customers**: All customer accounts have an assigned account management team who meet regularly with their respective clients to understand their business needs and how the Group can assist them in meeting their objectives. The Group regularly issues an NPS (Net Promoter Score) survey and a working committee ensures that key take outs from the survey are acted upon. The Group holds a number of differently themed webinars during the year which give customers a flavour of what is on the product roadmap and examples of real-life uses of the Group's products. This is supplemented by an email newsletter sent to all customers.
- **Suppliers:** The Group's largest suppliers are for hosting and recruitment services. The relationships for suppliers in these categories are owned by the Chief Operating Officer/Chief Information Officer and Chief People Officer respectively. It is their role to meet the key suppliers on a timely basis to communicate the Group's business needs and the supplier's performance against expectations. A number of the Group's suppliers are also invited to join and present during customer webinars.

Principles of Corporate Governance continued

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Directors are responsible for the Group's system of internal controls and reviewing its effectiveness.

Although, no system of internal control can completely eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss, the Group's controls are designed to provide reasonable assurance over the reliability of financial information and the Group's assets. Overall the Group is risk averse and uses a combination of controls, legal agreements and insurance to mitigate the risks it faces.

The key controls are as follows:

- The Executive Directors and Senior Leadership Team have a close involvement with the day to day operations and, with the involvement of staff, identify business risks and monitor controls;
- There is a comprehensive process of financial reporting based on the annual budget that is approved by the Board. Monthly financial results are reported with analysis of key variances against expectations;
- The Corporate risk register is owned by the executive leadership team and is reviewed by the Board on a quarterly basis. The risk register considers the impact, probability, controls in place and any mitigating factors to be considered for each risk, including risks that may impact on key suppliers and climate-related risks. Where applicable, the register also sets out the risk treatment plan;
- In addition, the key risks are, where applicable, reflected in the Group's ISO 27001 statement of applicability which is monitored by the Group's Security Management Team and Information Security Committee and audited under ISAE 3402; and
- Employees are encouraged to report any new risks through the Group's internal reporting procedures.

The Group's principal risks and uncertainties are set out on pages 32 to 36.

There is currently no internal audit function as the Board and Audit Committee considers that given the Group's current stage of development, it is not necessary but this will be reviewed annually as the Group evolves. The Audit Committee considers the level of non-audit work performed by the external auditor and the term of the key audit personnel in assessing auditor independence.

Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities is set out on page 58 and the interests and experience of the Board are set out on pages 37 and 38. The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered.

The Board recognises that having a diverse Board with a blend of genders, skills, experiences, perspectives, ages and other characteristics leads to a more robust understanding of, and challenge of, opportunities, issues and risks and as a result, more informed decision making. In addition, the Chair and other Non-Executive Directors are undertaking a succession planning exercise. Shareholders are given the opportunity to vote annually on the re-election of all individual Directors to the Board.

The Board comprises of the Non-Executive Chair, who was independent at the time of appointment, three Executive Directors and three other Non-Executive Directors. Of the Non-Executive Directors, the Board considered three to be independent Directors (Anne de Kerckhove, Robert Senior and Charlotte Stranner). The Non-Executive Directors have retail, advertising and technology business expertise. Although Sir Terry Leahy is non-independent on the basis of his shareholding and length of service for the Group, the Board remains comfortable with its overall balance.

Principles of Corporate Governance continued

The executive leadership team includes three members of the Board, the Chief Executive Officer (who has a retail background), the Chief Information Officer (who has a technology background) and the Chief Financial Officer (who has a finance in technology businesses background). The skills and capabilities of the Board are kept up to date through annual training sessions.

The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress towards its goals.

Each year, the Non-Executive Directors are required to attend over 70% of Board and Board Committee meetings as well as a whole day offsite strategy session, which helps to shape the Group's strategy for the coming year and beyond.

Board Committees

The Board has two Committees with clearly defined terms of reference which are set by the Board. The role, work and members of the Committees are outlined on page 43. The entire Board acts as a Nominating Committee when required.

Meetings of the Board and its Committees held during the year and the attendance of the Directors are summarised below:

	Board meetings		Audit Committee		Remuneration Committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Tim Mason	11	11	–	–	–	–
Steve Rothwell	11	11	–	–	–	–
Lucy Sharman-Munday	11	11	–	–	–	–
Anne de Kerckhove	9	9	1	1	2	2
Sir Terry Leahy	11	8	–	–	–	–
Robert Senior	11	10	–	–	3	3
Malcolm Wall	4	3	2	–	2	2
Charlotte Stranner	11	10	3	3	–	–

The Board has a schedule of regular business, financial and operational matters and each Board Committee has compiled a schedule of work to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year. Board and committee papers are circulated to Directors prior to meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate.

Maintain appropriate governance structures and ensure that individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities

Each year, a presentation is made to the Directors to ensure that they are aware of their duties as Directors. Beyond this, the Company assists each individual Director in identifying any additional training requirements they have.

In addition to the Board and its Committees referred to under "Establish and maintain the Board as a well-functioning, balanced team led by the Chair" and set out in more detail below, the Group operates a number of sub-Boards, each of which has a Chair and an Executive Director sponsor and are attended by a wider cross-section of key senior managers from across the business.

Principles of Corporate Governance continued

- The executive leadership team reviews the day to day operations against the business objectives set within the Group's strategy;
- The Sales and Operations Board monitors the sales, strategic partnerships and project delivery required to achieve the targeted revenue growth;
- The Product Board monitors the product delivery against the roadmap and takes customer and market feeds to drive the innovation of the product that is discussed, debated and prioritised within this forum; and
- The People Board discusses all employee-related matters, including reward and benefits, talent attraction and retention strategy, employee relations and recruitment.

Remuneration Committee

The Remuneration Committee is currently chaired by Robert Senior and consists of two Non-Executive Directors, Robert Senior and Anne de Kerckhove. The Committee is expected to meet no less than twice a year. Executive Directors may attend meetings at the Committee's invitation.

The Remuneration Committee is responsible for determining and agreeing with the Board the broad policy for the remuneration and employment terms of the Executive Directors, Chair and other senior executives and, in consultation with the Chief Executive Officer, for determining the remuneration packages of such other members of the executive management of the Group as it is designated to consider. The Committee is also responsible for the review of, and making recommendations to the Board in connection with, share option plans and performance related pay and their associated targets, and for the oversight of employee benefit structures across the Group.

The remuneration of Non-Executive Directors is a matter for the Board. No director may be involved in any decision as to their own remuneration. This Remuneration Committee report includes a summary of the remuneration policy and the Annual Report on Remuneration.

Audit Committee

The Audit Committee is chaired by Charlotte Stranner and consists of two Non-Executive Directors, Charlotte Stranner and Anne de Kerckhove. The Audit Committee meets formally not less than twice every year and otherwise as required. The external auditors are invited to each meeting and the Chief Executive Officer and Chief Financial Officer (together with members of the finance team as appropriate) attend by invitation.

The Committee assists the Board in meeting its responsibilities in respect of corporate governance, external financial reporting and internal controls, including, amongst other things, reviewing the Group's annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems.

In fulfilment of these objectives the Committee:

- reviews the Group's financial statements and finance-related announcements, including compliance with statutory and listing requirements. Compliance is reviewed each year with the Chief Financial Officer and enhancements are made as appropriate;
- considers whether these statements and announcements provide a fair, balanced and understandable view of the Group's strategy and performance, and of the associated risks. Further consideration of these matters is also provided by the Board as a whole;
- considers the appropriateness of accounting policies and significant accounting judgements and the disclosure of these in the financial statements;
- reviews the effectiveness of financial controls and systems. The Group does not have an internal audit function and the Committee continues to be of the view that the Group is not yet of a size and complexity to warrant the establishment of such a function; and
- oversees the relationship with and performance of the external auditors.

Principles of Corporate Governance continued

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board carries out an annual 360° Board assessment that assesses the objectives, strategy and remit of the Board, performance management, risk management and the experience, skills and capabilities of the Directors to manage the business. This assessment is owned by the Chair who uses the feedback to improve reporting processes and oversight.

The executive leadership team has objectives that are fed from the Group's annual strategy session. Appraisals for the executive leadership team are held quarterly and are discussed at the Remuneration Committee.

Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Group's remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group's business strategy in order to optimise long-term shareholder value. It is the intention that this policy should conform to best practice standards and that it will continue to apply for 2024 and subsequent years, subject to ongoing review as appropriate. See the Remuneration Committee Report on page 47 to 55 for further details.

Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Communications with shareholders are set out above under "Seek to understand and meet shareholder needs and expectations". Meetings with analysts and institutional shareholders are held following the interim and full year results and on an ad-hoc basis. These meetings are usually held by the CEO and the CFO. There is an opportunity at the Annual General Meeting for individual shareholders to raise general business matters. Notice of the Annual General Meeting is provided at least 21 days in advance of the meeting being held.

Additionally, communications with other relevant stakeholders are set out above under "Take into account wider stakeholder and social responsibilities and their implications for long-term success". The Group's informative website contains information to be of interest to new and existing investors. In addition, the Group retains the services of a financial PR consultancy, providing an additional contact avenue for investors.

SECTION 172 STATEMENT

The Directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

The ways in which these duties are addressed is set out below:

Stakeholders	How we engage	Significant events
Employees	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 40 of the Corporate Governance Statement.	We have a 'virtual first' method of working, allowing employees more flexibility in where they work from, whilst monitoring output to ensure appropriate levels of productivity. We also hold an annual company conference allowing our teams from around the world to gather in person. Management have maintained high levels of communication to employees to keep them abreast of Company updates. Employee driven initiatives to look after the wellbeing of our staff include a variety of Employee Resource Groups covering mental health, 'Purple Pride' and 'Purple Women', making Eagle Eye a great place to work for women. We were delighted to retain our 'World Class' recognition by Best Companies.
Shareholders	See "Seek to understand and meet shareholder needs and expectations" on page 39 of the Corporate Governance Statement.	The Group holds face to face and video conferencing meetings to communicate with shareholders and interim and preliminary results presentations are recorded and published on the website. The business continues to review and revise its objectives on a quarterly basis, which is shared with the Board, to address the rapidly changing environment in which the Group operates and to ensure that investment is made where it will have the biggest return.

SECTION 172 STATEMENT CONTINUED

Stakeholders	How we engage	Significant events
Customers	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 40 of the Corporate Governance Statement.	Retailers' move to digital has continued and our customers need a relevant digital marketing solution. Therefore we continue to invest c.15% of our revenue into the product in order to maximise value for our customers.
Suppliers	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 40 of the Corporate Governance Statement.	Our supplier code of conduct continues to ensure our key suppliers operate with an appropriate level of social and environmental care.
Community	The Group has a charity committee which is responsible for organising events and identifying opportunities where the Group and its employees can assist those in need. The Group engages with its landlords and neighbouring businesses to address local issues and share successes.	We continued to partner with 52 Lives during the year, a charity built around the concept of 'kindness' who find people who need help and then deliver it. The funds raised in our partnership have continued to exceed our expectations, allowing more people to benefit.

Directors' remuneration policy

The Group's remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group's business strategy in order to optimise long-term shareholder value. It is the intention that this policy should conform to best practice standards and that it will continue to apply for 2024 and subsequent years, subject to ongoing review as appropriate.

The policy is framed around the following key principles:

- total rewards will be set at levels that are sufficiently competitive to enable the recruitment and retention of high-calibre executives;
- total incentive-based rewards will be earned through the achievement of performance conditions consistent with shareholder interests;
- the design of long-term incentives will be prudent and will not expose shareholders to unreasonable financial risk;
- in considering the market positioning of reward elements, account will be taken of the performance of the Group and of each individual Executive Director; and
- reward practice will conform to best practice standards as far as reasonably practicable.

When formulating the quantum and structure of remuneration, the Remuneration Committee takes account of a number of different factors including market practice and external market data of the level of remuneration offered to directors of similar role and seniority in other companies whose activities and size are similar, as well as the experience and performance of both the Executive Directors and the Group. In addition, the pay and employment conditions of employees are also considered when determining Directors' remuneration. The Remuneration Committee may also seek advice from external consultants where appropriate. No Director was involved in deciding the level and composition of their own remuneration.

The Executive Directors receive an amount of fixed pay made up of a base salary, and in some cases a benefits package and pension contribution.

Short term performance for senior executives is incentivised using an annual bonus scheme based on the achievement of profitability, revenue, employee NPS and personal strategic goals. Long term performance is incentivised by way of a long term incentive plan ('LTIP') based on the achievement of performance goals aligned to the Company's business strategy and measured over a three-year period.

Employees of the Group are rewarded for excellent performance by the award of EMI options. Vesting of these options is based on the achievement of certain revenue and profit targets to be achieved three years after the grant of the options.

In FY23, a Growth Plan was introduced following extensive shareholder consultation by the Remuneration Committee. The Committee considers that the introduction of the Growth Plan will drive long term sustainable value on our ambition to be a £1bn market capitalisation business, whilst enabling the retention and motivation of significant core talent and senior leaders of the Group.

These various schemes provide the Board with tools to help it to continue to strengthen the alignment of employee and shareholder interests.

As a company listed on AIM, the Company is not required by the Companies Act 2006 to prepare a Directors' Remuneration Report. The following parts of the Directors' Remuneration Report are not subject to audit.

Executive Directors' remuneration for 2024

2024 base salaries

The Executive Directors' base salaries were increased in the year effective from 1 January 2024 by an average 5.0%. Salary is considered as well as the overall remuneration packages of the Executive Directors, their relative responsibilities and the performance of the Group during the previous 12 months.

	Salary 1 January 2023 £000	Salary 1 January 2024 £000
Tim Mason	414	434
Steve Rothwell	245	256
Lucy Sharman-Munday	245	256

2024 Annual bonus

The Executive Directors have a maximum annual bonus opportunity of 100% of salary with performance measured on both personal objectives linked to the strategic direction of the business (maximum opportunity 25% of annual salary) and revenue and EBITDA achievement (maximum opportunity 75% of annual salary, split equally between revenue and EBITDA). The combined target bonus opportunity is 50% of salary. The delta between the target (50%) and the maximum (100%) represents the stretch target.

The revenue target range was between £46.0m and £48.6m; the outturn being £43.3m and the EBITDA target range between £10.4m and £11.2m with the outturn being £11.0m, excluding the contribution of EagleAI. This resulted in a combined payout of 27.3% (out of a maximum of 75%) for all Executive Directors. Personal Objectives are set and monitored on a quarterly basis. These are based both on KPIs and objectives linked to the strategic focus of the business in the areas of responsibility for each Director.

Executive Directors' remuneration for 2024 continued

The total bonus payable to the Executive Directors in respect of the financial (revenue and EBITDA), employee NPS and personal objective performance in FY24 was determined as set out below:

	Maximum performance	Actual performance	Actual bonus payable
Tim Mason	100% of salary payable	50.9% of salary payable	£220,954
Steve Rothwell	100% of salary payable	51.8% of salary payable	£132,639
Lucy Sharman-Munday	100% of salary payable	51.4% of salary payable	£131,780

LTIP awards granted in FY24

FY26 performance

On 21 November 2023 LTIP awards were granted as nominal cost options under the Eagle Eye LTIP Share Option Scheme to the Executive Directors subject to the following performance targets to be met during the performance period of three financial years ending 30 June 2026.

FY26 Performance targets for FY24 LTIP awards

Performance measures	Threshold vesting	Target vesting	Stretch vesting	Super Stretch vesting
	35% of salary (23.3% of max)	62.5% of salary (41.6% of max)	100% of salary (66.6% of max)	150% of salary (100% of max)
Revenue – 50% of award	£66.50m	£77.70m	£88.85m	£100.00m
Adjusted EBITDA – 50% of award	£15.40m	£17.87m	£20.44m	£25.00m

1. There is linear vesting in between each of the vesting points.
2. The Committee may scale back the level of vesting if it considers at the time of vesting that the formulaic level of vesting does not reflect the overall underlying performance of the Company or investor experience taking into account, among other matters, share price.
3. The LTIP award has a value at the date of grant of 100% of salary. To manage dilution through share awards, achievement of the Super Stretch target is likely to be satisfied with cash with no link to share price movement from the date of grant.

Executive Directors' remuneration for 2024 continued

Growth Plan

On 4 April 2023 a Growth Plan was launched which the Committee considers will drive long-term sustainable growth and build shareholder value, whilst enabling the retention and motivation of significant core talent and senior leaders of the Group. The Growth Plan, a one-off award of B shares in Eagle Eye Solutions Holdings Limited, an intermediate holding company of the Group, which are convertible on exercise into Ordinary Shares of Eagle Eye Solutions Group plc, is designed to focus solely on creating shareholder value through a series of distinct, stretching share price hurdles, as listed below. The awards under the Growth Plan will vest on the third anniversary of grant and unless converted into Ordinary Shares, expire after ten years from grant.

Awards under the Growth Plan of B shares were made to the following Directors for £0.001 per B share, in the year to 30 June 2023, as follows:

Director/PDMR	Role	Number of B shares subscribed for	Maximum potential award under the Growth Plan for reaching an implied market cap of in excess of £1.0bn	% of existing issued ordinary share capital of Eagle Eye on full vesting
Tim Mason	Chief Executive Officer	1,720	£7.2m	0.69%
Steve Rothwell	Chief Information Officer	1,290	£5.4m	0.52%
Lucy Sharman-Munday	Chief Financial Officer	1,290	£5.4m	0.52%

LTIP awards with performance period ending in FY24

The LTIP awards granted in 2022 as nominal cost options will vest as set out in the table below, to the extent the targets set were met during the performance period of three financial years ending 30 June 2024.

Performance targets	Threshold performance	Target performance	Stretch performance	Actual performance	% of award vesting
Revenue (50% of award)	£34.5m	£37.8m	£41.1m	£47.7m	50%
Adjusted EBITDA (50% of award)	£6.9m	£7.6m	£8.2m	£11.3m	50%

	Date of grant	Maximum number of shares	Number of shares vesting	Total value of LTIP award vesting[1]
Tim Mason	7 February 2022	64,547	64,547	£311,827
Steve Rothwell	7 February 2022	37,287	37,287	£180,133
Lucy Sharman-Munday	7 February 2022	37,287	37,287	£180,133

1. Value of award uses 3-month average share price to 30 June 2024 of £4.841 and nominal cost exercise price of £0.01 per share as the share price on the actual date of vesting is not known.

The Committee has reviewed and is comfortable with the underlying performance of the Company and considers that no scale back of vesting levels is necessary.

Outstanding LTIP awards

	FY	Date of grant	Type of award	Number of shares granted	Exercise price £	Vested during the year	Exercised during the year	Lapsed during the year	Vested unexercised	Total 30 June 2024	Performance period ends
Tim Mason	2016	4 January 2016	LTIP	443,165	0.01	–	–	–	334,470	334,470	N/A
	2017	21 September 2016	LTIP appointment award	221,388	0.01	–	–	–	153,606	153,606	N/A
	2018	9 November 2017	LTIP appointment award	221,679	0.01	–	–	–	153,808	153,808	N/A
	2018	9 November 2017	LTIP	83,871	0.01	–	–	–	62,408	62,408	N/A
	2019	8 January 2019	LTIP appointment award	221,679	0.01	–	–	–	221,679	221,679	N/A
	2019	8 January 2019	LTIP	472,500	0.01	–	–	–	240,345	240,345	N/A
	2020	13 February 2020	LTIP	188,775	0.01	–	–	–	188,775	188,775	N/A
	2021	8 April 2021	LTIP	142,662	0.01	142,662	–	–	142,662	142,662	N/A
	2022	8 February 2022	LTIP	64,547	0.01	–	–	–	–	64,547	30 June 2024
	2023	4 April 2023	LTIP	138,174	0.01	71,331	–	–	71,331	138,174	30 June 2025
	2024	21 November 2023	LTIP	75,674	0.01	–	–	–	–	75,674	30 June 2026
						213,993	–	–	1,569,084	1,776,148	
Steve Rothwell	2019	8 January 2019	LTIP	267,750	0.01	–	16,225	–	–	–	N/A
	2020	13 February 2020	LTIP	109,050	0.01	–	32,780	–	38,103	38,103	N/A
	2021	8 April 2021	LTIP	82,412	0.01	82,412	38,373	–	44,039	44,039	N/A
	2022	8 February 2022	LTIP	37,287	0.01	–	–	–	–	37,287	30 June 2024
	2023	4 April 2023	LTIP	79,819	0.01	41,206	12,622	–	28,584	67,197	30 June 2025
	2024	21 November 2023	LTIP	44,686	0.01	–	–	–	–	44,686	30 June 2026
						123,618	100,000	–	110,726	231,312	

Outstanding LTIP awards continued

	FY	Date of grant	Type of award	Number of shares granted	Exercise price £	Vested during the year	Exercised during the year	Lapsed during the year	Vested unexercised	Total 30 June 2024	Performance period ends
Lucy Sharman-Munday	2016	12 January 2016	LTIP	39,383	0.01	–	–	–	39,383	39,383	N/A
	2017	21 September 2016	LTIP	91,582	0.01	–	–	–	58,520	58,520	N/A
	2018	9 November 2017	LTIP	47,527	0.01	–	–	–	35,365	35,365	N/A
	2019	8 January 2019	LTIP	267,750	0.01	–	–	–	136,196	136,196	N/A
	2020	13 February 2020	LTIP	109,050	0.01	–	–	–	109,050	109,050	N/A
	2021	8 April 2021	LTIP	82,412	0.01	82,412	–	–	82,412	82,412	N/A
	2022	8 February 2022	LTIP	37,287	0.01	–	–	–	–	37,287	30 June 2024
	2023	4 April 2023	LTIP	79,819	0.01	41,206	–	–	41,206	79,819	30 June 2025
	2024	21 November 2023	LTIP	44,686	0.01	–	–	–	–	44,686	30 June 2026
						123,618	–	–	502,132	622,718	

Performance targets for LTIP awards granted in FY23 with performance period ending in FY25

Performance measures	Threshold vesting	Target vesting	Stretch vesting
	35% of salary (35% of max)	62.5% of salary (62.5% of max)	100% of salary (100% of max)
Revenue – 50% of award	£53.0m	£61.1m	£69.2m
Adjusted EBITDA – 50% of award	£11.9m	£13.4m	£15.2m

1. There is linear vesting in between each of the vesting points.
2. The Committee may scale back the level of vesting if it considers at the time of vesting that the formulaic level of vesting does not reflect the overall underlying performance of the Company or investor experience taking into account, among other matters, share price.

Company Chair and Non-Executive Directors

The Non-Executive Directors' fees were reviewed with effect from 1 January 2024 with no changes being made. The fee for the Company Chair was £75,000, the Non-Executive Directors' base fee between £30,000 and £40,000 with additional fees for chairing the Remuneration Committee and Audit Committee at £5,000.

Total Directors' Remuneration

The table below sets out the total remuneration payable to the Directors:

30 June 2024	Salary and fees £000	Annual bonus[1] £000	Other benefits[2] £000	Pension £000	Long-term incentives[3] £000	Total £000
Tim Mason	443	221	7	–	–	671
Steve Rothwell	250	133	4	11	459	857
Lucy Sharman-Munday	250	132	15	2	–	399
Anne de Kerckhove	56	–	–	–	–	56
Malcolm Wall	23	–	–	–	–	23
Robert Senior	35	–	–	–	–	35
Terry Leahy	30	–	–	–	–	30
Charlotte Stranner	45	–	–	–	–	45
	1,132	486	26	13	459	2,116

1. The annual bonus shown in the table above for FY24 is in respect of performance for FY24 (and is paid in FY25).
2. Benefits represent allowances payable, including car allowance and healthcare.
3. Long term incentives reflects the difference between the market price at the time of exercise and the amount paid in relation to the exercise of long term incentives during the year.

Total Directors' Remuneration continued

30 June 2023	Salary and fees £000	Annual bonus[1] £000	Other benefits[2] £000	Pension £000	Long term incentive gains £000	Total £000
Tim Mason	409	444	5	–	–	858
Steve Rothwell	229	261	3	10	1,403	1,906
Lucy Sharman-Munday	229	267	5	10	377	888
Malcolm Wall	60	–	–	–	–	60
Robert Senior	35	–	–	–	–	35
Terry Leahy	30	–	–	–	–	30
Bill Currie	25	–	–	–	–	25
Charlotte Stranner	6	–	–	–	–	6
	1,023	972	13	20	1,780	3,808

1. The annual bonus shown for FY23 is in respect of performance for FY23 and was paid in FY24.
2. Benefits represent allowances payable, including car allowance and healthcare.

Application of remuneration policy for FY25

Base salaries

The Executive Directors' base salaries will be reviewed by the Remuneration Committee during the course of the year with any increases effective from 1 January 2025.

Annual bonus

The Executive Directors' annual bonus opportunity will follow the same format as FY24 with a maximum annual bonus opportunity of 100% of salary with performance measured both on personal objectives and employee NPS linked to the strategic direction of the business (maximum opportunity 25% of annual salary) and revenue and EBITDA achievement (maximum opportunity 75% of annual salary, split equally between revenue and EBITDA). The combined target bonus opportunity is 50% of salary. The delta between the target (50%) and the maximum (100%) represents the stretch target.

LTIP awards

The Committee intends to grant LTIP awards to the Executive Directors over shares with a value equivalent to up to 150% of salary, subject to achievement of stretching Revenue and EBITDA targets measured over three financial years to 30 June 2027. The targets will be determined prior to awards being granted and will be disclosed in the FY25 Remuneration Report.

Company Chairman and Non-Executive Directors

The fees for the Company Chairman and Non-Executive Directors will be reviewed during the course of the year with any increases effective from 1 January 2025.

Shares held by Directors

	Beneficially owned shares 30 June 2023	Beneficially owned shares 30 June 2024	Unvested subject to performance targets 30 June 2023	Unvested subject to performance targets 30 June 2024	Vested unexercised 30 June 2023	Vested unexercised 30 June 2024
Tim Mason	328,534	328,534	415,383	207,064	1,355,091	1,569,084
Steve Rothwell	1,355,913	1,355,913	199,518	120,586	87,108	110,726
Lucy Sharman-Munday	92,572	92,572	199,518	120,586	378,514	502,132
Anne de Kerckhove	–	–	–	–	–	–
Malcolm Wall	41,132	–	–	–	–	–
Robert Senior	31,694	31,694	–	–	–	–
Terry Leahy	2,457,006	2,457,006	–	–	–	–
Charlotte Stranner	–	–	–	–	–	–

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2024.

Principal activities, business review and future developments

The principal activity of the Group is enabling businesses to create digital connections enabling personalised real-time marketing, through the provision of its marketing technology software as a service solution. The review of the business performance and future developments, including those since the end of the year ended 30 June 2024, are set out in the Strategic Report on pages 9 to 36.

Corporate Status

Eagle Eye Solutions Group plc ('the Company') is a public limited company domiciled in the United Kingdom and was incorporated in England & Wales with company number 8892109 on 12 February 2014. The Company has its registered office at 5 New Street Square, London EC4A 3TW. The principal places of business of the Group are its offices in Guildford, Manchester and London and it also operates in Canada, France, Australia, New Zealand, Singapore and the USA.

Directors

- Tim Mason
- Steve Rothwell
- Lucy Sharman-Munday
- Anne de Kerckhove (appointed 1 October 2023)
- Sir Terry Leahy
- Robert Senior
- Charlotte Stranner
- Malcolm Wall (resigned 18 November 2023)

The Company has agreed to indemnify its Directors against third party claims which may be brought against them and has put in place a Directors' and officers' insurance policy.

The market price of the Company's shares at the end of the financial year was £4.80 and the range of the market price during the year was between £4.40 and £5.90.

Substantial Shareholdings

At 16 September 2024, the Directors have been notified of the following beneficial interests in excess of 3% of the issued share capital of the Company (excluding those shares held in treasury).

	Total shares	%
Canaccord	3,778,167	12.76
Liontrust	2,997,470	10.12
Sir Terry Leahy*	2,457,006	8.30
BGF Investment Management	2,144,500	7.24
Andrew Sutcliffe*	1,593,133	5.38
Julian Reiter	1,360,029	4.59
Steve Rothwell	1,355,913	4.58
Christopher Gorell Barnes	1,344,866	4.54
Chelverton Asset Management	1,309,650	4.42

* Includes shares held by family members

Research and Development

Details of the Group's policy for the recognition of expenditure on research and development of its Eagle Eye AIR platform and other products are set out in Note 1 of the consolidated financial statements. The activities involved in the research and development are described in the Strategic Review on page 19 to 20.

Risk Management Objectives and Policies

Details of the Group's financial risk management objectives and policies are set out in Note 16 of the consolidated financial statements. The key non-financial risks that the Group faces are set out on pages 32 to 36 of the Strategic Report.

Related Party Transactions

Details of the Group's transactions and year end balances with related parties are set out in Note 20 of the consolidated financial statements.

Dividends

The Directors do not recommend the payment of a dividend (2023: £nil).

Strategic report

The Company has chosen in accordance with Companies Act 2006, section 414C (11) to set out in the Company's Strategic Report on pages 9 to 36 information required to be contained in the directors' report by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7, where not already disclosed in the Directors' Report.

Events after the reporting period

There are no events after the end of the reporting period which need to be reported.

Statement as to disclosure of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP were appointed for the year ended 30 June 2024 and have indicated their willingness to continue in office.

By order of the board

James Esson

Company Secretary

5 New Street Square
London
EC4A 3TW
17 September 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law and AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards and for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLE EYE SOLUTIONS GROUP PLC

Opinion

We have audited the financial statements of Eagle Eye Solutions Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise the consolidated statement of profit or loss and total comprehensive income, consolidated and company statement of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition No key audit matters are identified in respect of the parent company.
Materiality	**Group** • Overall materiality: £676k (2023: £451k) • Performance materiality: £507k (2023: £338k) **Parent Company** • Overall materiality: £50k (2023: £45k) • Performance materiality: £37.5k (2023: £33.7k)
Scope	Our audit procedures covered 91% of revenue, 85% of EBITDA and 93% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that there are no parent company key audit matters to communicate in our report.

Key audit matters continued

Revenue recognition

Key audit matter description	*(Refer to page 72 regarding the accounting policy in respect of revenue recognition, page 78 in respect of critical judgements and estimates applied by the Directors and note 3 to the financial statements on page 79).* Appropriate and accurate revenue recognition in accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers" is required to be applied by the Directors to ensure that revenue is fairly stated in the financial statements. There are risks that customer contracts and the inherent performance obligations and their transaction prices are not appropriately identified and/or that revenue recognised in the period does not reflect the stage of service delivery. These risks could result in material errors in the revenue recognised. The audit team itself also spent considerable time and effort to obtain sufficient evidence over this area. As such revenue recognition considered a key audit matter.
How the matter was addressed in the audit	We have performed detailed testing on revenue taking into consideration the required revenue recognition for different contract performance obligations. A sample of sales recognised in the period was compared to the underlying contracts and sales invoices. The revenue recognised was then evaluated with regard to the terms in the contracts, the completed performance obligations and the invoiced amounts to determine whether it had been recognised in line with the Group's accounting policies and the requirements of IFRS 15. The recognition and measurement of accrued and deferred income applying the principles of IFRS 15 and the group's accounting policies were considered and tested as was the treatment of sales commissions and set-up costs to determine whether they had been treated appropriately. Significant contracts for which a modification had occurred were separately reviewed to determine if revenue recognition was in accordance with the IFRS 15 as per the Group's stated accounting policies. Data analytics testing was utilised on full scope entities to identify any transactions that did not fall into the expected sales cycle. We tested management controls by carrying out a reperformance of the monthly reconciliations that occur between the sales reporting system and the secured revenue spreadsheet that would help identify if any significant contracts had been excluded from the revenue listing on a monthly basis. We also traced through a sample of opportunities from the sales reporting system back to the revenue listing to test the completeness of revenue.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£676k (2023: £451k)	£50k (2023: £45k)
Basis for determining overall materiality	6% of EBITDA	1% of total assets (Restricted to £50k)
Rationale for benchmark applied	EBITDA is considered to be the key indication of the performance of the business by its major stakeholders	Total assets in the non-trading parent company is considered to be the key indication of the value of trading subsidiary companies
Performance materiality	£507k (2023: £338k)	£37.5k (2023: 33.7k)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £33,800 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £37,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 8 components, located in the following countries;

- United Kingdom
- Canada
- Australasia (including New Zealand)
- United States of America
- France

	Number of components	Revenue	EBITDA
Full scope audit	4	81%	85%
Specific audit procedures	3	10%	–
Total	7	91%	85%

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included review of the reasonableness of financial forecasts prepared by the directors covering at least 12 months from the signing of the accounts, assessment and challenge of management assumptions utilised in those forecasts and applying appropriate sensitivities to assess the availability of adequate headroom within the Group's banking facilities to support the going concern basis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 58 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

The extent to which the audit was considered capable of detecting irregularities, including fraud continued

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation/ Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
IFRS/ FRS102 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Please refer to key audit matters section of the audit report for further details on the testing performed on this key audit matter
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ALASTAIR JOHN RICHARD NUTTALL (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Ninth Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester
M1 4PB

17 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME

for the year ended 30 June 2024

	Note	2024 £000	2023 £000
Continuing operations			
Revenue	3	**47,733**	43,074
Cost of sales		**(1,283)**	(2,091)
Gross profit		**46,450**	40,983
Operating expenses		**(45,814)**	(41,725)
Other income		**195**	122
Adjusted EBITDA[1]		**11,260**	8,789
Acquisition costs		**–**	(1,298)
Change in fair value of contingent consideration	23	**1,303**	–
Share-based payment charge		**(2,835)**	(2,426)
Depreciation and amortisation		**(8,897)**	(5,685)
Operating profit/(loss)	4	**831**	(620)
Finance income	6	**41**	30
Finance expense	6	**(153)**	(170)
Profit/(loss) before taxation		**719**	(760)
Taxation	7	**5,015**	1,948
Profit after taxation for the financial year		**5,734**	1,188
Foreign exchange adjustments		**(333)**	(410)
Total comprehensive profit attributable to the owners of the parent for the financial year		**5,401**	778
Earnings per share			
From continuing operations			
Basic	8	**19.47p**	4.25p
Diluted	8	**17.36p**	3.79p

1. Adjusted EBITDA excludes share-based payment charge, depreciation and amortisation from the measure of profit along with the costs associated with the acquisition of EagleAI in 2023 and subsequent changes in fair value of contingent consideration due on that acquisition.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets	9	**17,804**	19,458
Contract fulfilment costs	10	**2,610**	2,562
Property, plant and equipment	11	**1,175**	1,444
Deferred taxation	15	**8,455**	1,626
		30,044	25,090
Current assets			
Trade and other receivables	12	**10,349**	11,085
Current tax receivable		**183**	762
Cash and cash equivalents	16	**10,576**	10,615
		21,108	22,462
Total assets		**51,152**	47,552
Current liabilities			
Trade and other payables	13	**(10,583)**	(14,252)
Current tax payable		**–**	(74)
IFRS 15 deferred income		**(3,002)**	(3,086)
Financial liabilities	14	**(122)**	(1,102)
		(13,707)	(18,514)

	Note	2024 £000	2023 £000
Non-current liabilities			
Other payables	13	**(412)**	(2,131)
IFRS 15 deferred income		**(2,927)**	(2,670)
Financial liabilities	14	**(50)**	(197)
		(3,389)	(4,998)
Total liabilities		**(17,096)**	(23,512)
Net assets		**34,056**	24,040
Equity attributable to owners of the parent			
Share capital	17	**296**	293
Share premium	17	**30,089**	29,925
Merger reserve	17	**3,278**	3,278
Share option reserve		**9,084**	7,291
Retained losses		**(8,691)**	(16,747)
Total equity		**34,056**	24,040

These financial statements were approved by the Board on 17 September 2024 and signed on its behalf by:

L Sharman-Munday
Director

T Mason
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2024

	Share capital £000	Share premium £000	Merger reserve £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 1 July 2022	264	17,685	3,278	5,549	(18,209)	8,567
Profit for the financial year	–	–	–	–	1,188	1,188
Other comprehensive income						
Foreign exchange adjustments	–	–	–	–	(410)	(410)
	–	–	–	–	778	778
Transactions with owners recognised in equity						
Issue of share capital	22	12,148	–	–	–	12,170
Issue costs	–	(285)	–	–	–	(285)
Exercise of share options	7	377	–	–	–	384
Fair value of share options exercised in the year	–	–	–	(684)	684	–
Share-based payment charge	–	–	–	2,426	–	2,426
	29	12,240	–	1,742	684	14,695
Balance at 30 June 2023	293	29,925	3,278	7,291	(16,747)	24,040

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED
for the year ended 30 June 2024

	Share capital £000	Share premium £000	Merger reserve £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 30 June 2023	293	29,925	3,278	7,291	(16,747)	24,040
Profit for the financial year	–	–	–	–	**5,734**	**5,734**
Other comprehensive income						
Foreign exchange adjustments	–	–	–	–	**(333)**	**(333)**
	–	–	–	–	**5,401**	**5,401**
Transactions with owners recognised in equity						
Exercise of share options	**3**	**164**	–	–	–	**167**
Fair value of share options exercised in the year	–	–	–	**(1,042)**	**1,042**	–
Share-based payment charge	–	–	–	**2,835**	–	**2,835**
Deferred tax on share-based payments	–	–	–	–	**1,549**	**1,549**
Deferred tax on losses	–	–	–	–	**64**	**64**
	3	**164**	–	**1,793**	**2,655**	**4,615**
Balance at 30 June 2024	**296**	**30,089**	**3,278**	**9,084**	**(8,691)**	**34,056**

Included in Retained losses is a cumulative foreign exchange profit of £436,000 (2023: profit £103,000).

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2024

	2024 £000	2023 £000
Cash flows from operating activities		
Profit/(loss) before taxation	**719**	(760)
Adjustments for:		
Depreciation	**718**	487
Amortisation	**8,180**	5,198
Share-based payment charge	**2,835**	2,426
Finance income	**(41)**	(30)
Finance expense	**153**	170
Decrease/(increase) in trade and other receivables	**544**	(3)
(Decrease)/increase in trade and other payables	**(2,019)**	3,850
Movement on contingent consideration for acquisition of EagleAI	**(1,303)**	–
Income tax paid	**(313)**	(56)
Income tax received	**10**	960
Net cash flows from operating activities	**9,483**	12,242
Cash flows from investing activities		
Payments to acquire property, plant and equipment	**(346)**	(171)
Payments to acquire intangible assets and contract fulfilment costs	**(6,711)**	(5,444)
Acquisition of EagleAI, net of cash and cash equivalents acquired	**(654)**	(6,347)
Net cash flows used in investing activities	**(7,711)**	(11,962)

	2024 £000	2023 £000
Cash flows from financing activities		
Net proceeds from issue of equity	**167**	7,097
Proceeds from borrowings	**–**	2,000
Repayment of borrowings	**(1,123)**	(1,627)
Capital payments in respect of leases	**(545)**	(217)
Interest paid in respect of leases	**(80)**	(31)
Interest received	**41**	4
Interest paid	**(73)**	(113)
Net cash flows from financing activities	**(1,613)**	7,113
Net increase in cash and cash equivalents in the year	**159**	7,393
Foreign exchange adjustments	**(198)**	(410)
Cash and cash equivalents at beginning of year	**10,615**	3,632
Cash and cash equivalents at end of year	**10,576**	10,615

1 Accounting policies

General information

Eagle Eye Solutions Group plc ('the Company') is a public limited company domiciled in the United Kingdom and was incorporated in England & Wales with company number 8892109 on 12 February 2014. The Company has its registered office at 5 New Street Square, London EC4A 3TW. The principal places of business of the Group are its offices in Guildford, Manchester and London and it also operates in France, Canada, Australia, New Zealand, Singapore and the USA.

Basis of preparation

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with UK-adopted International Accounting Standards and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) that are effective or issued and early adopted as at the date of these financial statements and in accordance with the provisions of the Companies Act 2006.

Adjusted EBITDA and Direct profit (see Note 21) are presented as the Directors consider these performance measures provide a more accurate indication of the underlying performance of the Group and are commonly used by City analysts and investors.

The preparation of financial statements requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial information, are disclosed in Note 2.

The presentational and functional currency of the Group is Sterling. Results in these financial statements have been prepared to the nearest £1,000.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2023 and not early adopted

The IASB and IFRIC have issued the following relevant standards and interpretations with effective dates as noted below:

Standard	Key requirements	Effective date (for annual periods beginning on or after)
Amendments to IFRS 1 Presentation of Financial Statements	The standard clarifies that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. No impact is expected on the results of the Group.	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	The standard requires an entity to provide additional disclosures about its supplier finance arrangements. Therefore, the quantity of accounting policy disclosures may increase, although no impact is expected on the results of the Group.	1 January 2024
IFRS 18 Presentation and Disclosure in Financial Statements	The standard will replace IAS 1 and aims to meet investor demand for better, more comparable information about companies' performance. Although the standard will not change the accounting results of the Group, additional disclosures, in particular around management-defined performance measures, will be required.	1 January 2027

There are no other IFRSs, IFRIC interpretations or amendments that are not yet effective that would be expected to have a material impact on the Group.

1 Accounting policies continued

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks – Guidance for directors of companies that do not apply the UK Corporate Governance Code".

The Directors have prepared detailed financial forecasts and cash flows looking 3 years beyond the date of these consolidated financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

On the basis of the above projections, the Directors are confident that the Group has sufficient working capital and available funds to honour all of its obligations to creditors as and when they fall due. In reaching this conclusion, the Directors have considered the forecast cash headroom, including the impact of the revolving credit facility with HSBC Innovation Bank and the covenants associated with it, its upcoming renewal, the resources available to the Group and the potential impact of changes in forecast growth and other assumptions, including the potential to avoid or defer certain costs and to reduce discretionary spend as mitigating actions in the event of such changes. Accordingly, the Directors continue to adopt the going concern basis in preparing these consolidated financial statements.

Basis of consolidation

The consolidated financial statements consolidate those of the Company and its subsidiary undertakings drawn up to 30 June each year. Subsidiaries are entities where the Company has: power over the entity; exposure, or rights, to variable returns from its involvement with the entity; and the ability to use its power over the entity to affect the amount of its returns. The Group generally obtains and exercises control through voting rights.

Other than the results of Eagle Eye Solutions Limited which are accounted for in accordance with the principles of merger accounting, the results of subsidiaries acquired are consolidated from the date on which control passed under the acquisition method. This involves the recognition at fair value of the assets, liabilities and contingent liabilities of the subsidiary at the acquisition date. These fair values are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate for the relevant legal entity prevailing at the date of the transactions. The assets and liabilities of entities with a non-Sterling functional currency are expressed in Sterling using exchange rates prevailing at the reporting date and the profit or loss for each such entity is expressed in Sterling using exchange rates prevailing at the date of the transaction.

1 Accounting policies continued

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from contracts with customers for the provision of the Group's services, excluding any applicable sales taxes, and is recognised at the point that the performance obligations to the customer have been satisfied, as set out below.

Products and Services	Nature and timing of satisfaction of performance obligations and significant payment terms
Development and set up fees	The Group uses an Agile methodology in its development. When delivering services to certain clients the nature of this development is that the exact form and functionality of the final solution is agreed through consultation with the client as the development progresses. In these circumstances, the development phase of the project which is not integral to the provision of the basic Software as a Service (SaaS) solution is a separate performance obligation, which is delivered over the period of development, with revenue recognised based on the number of hours worked. In other cases, where the client has purchased the Group's standard product, there is a single performance obligation – the delivery of a SaaS solution. In these circumstances, the development and set up fees will be recognised over the period from when the SaaS solution is launched to the client to the end of the contract period.
Subscription fees	Subscription fees covering, inter alia, licences, hosting and support services, form part of the SaaS performance obligation and are recognised over time from when the SaaS solution is made available to the end of the contract period. Generally for the provision of a SaaS solution, such revenue is recognised on a straight line basis. Subscription fees are invoiced on a monthly, quarterly, bi-annual or annual basis. Where invoices are raised in advance of the performance obligation being satisfied, a portion is recognised in deferred income in the Statement of Financial Position.
Transactional fees	Transactional fees are linked to transactional volumes and are recognised as the transactions occur, due to the inherent unpredictability of their timing and volume.

Where the services provided to a client represent a single performance obligation the entire transaction price is allocated to that performance obligation. In determining the transaction price, consideration is given to any amounts collected on behalf of third parties, which are not included within the transaction price, and whether there is any financing component. The Group's credit terms offered to its clients mean that there is no finance component to amounts charged to clients.

Where a contract covers multiple performance obligations, such as where the development phase of a project and the delivery of the SaaS solution represent separate performance obligations, the transaction price for each individual performance obligation will be determined by considering a number of factors including the stand alone selling price for the services provided to satisfy the performance obligation, any variable consideration and the properties of any associated licences.

1 Accounting policies continued

Cost of sales

The Group's cost of sales includes costs directly attributable to distinct sales including the cost of sending SMS messages, revenue share agreements and outsourced bespoke development work.

Operating profit

Operating profit comprises the Group's revenue for the provision of services, less the costs of providing those services and administrative overheads, including depreciation and amortisation of the Group's non-current assets.

Property, plant and equipment

Purchased property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment losses.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on the following bases:

Right of use assets	In line with term of lease
Computer equipment	2 to 3 years, straight-line
Office furniture and fittings	3 to 5 years, straight-line

The economic lives of assets are reviewed by the Directors on at least an annual basis and are amended as appropriate.

Intangible assets

Goodwill

Goodwill arising on business combinations represents the difference between the consideration for a business acquisition and the fair value of the net identifiable assets acquired, less any accumulated impairment losses. The consideration for a business acquisition represents the fair value of assets given and equity instruments issued in return for the assets acquired. Goodwill is not amortised but is subject to an impairment review which is performed at least annually.

Costs to obtain contracts

The Group recognises the incremental costs of obtaining contracts with customers as an asset if those costs are expected to be recoverable, and records them in 'intangible assets' in the Consolidated Statement of Financial Position. Incremental costs of obtaining contracts are those costs that the Group incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained and are amortised over the expected initial period of the client relationship. The Group does not reinstate costs previously expensed should the recognition criteria be met in a later period.

Internally-generated development intangible assets

An internally-generated development intangible asset arising from the Group's product development is recognised as intellectual property if, and only if, the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Internally-generated development intangible assets are amortised in the statement of comprehensive income on a straight-line basis over their estimated useful lives of 3 years.

Where no internally-generated intangible asset can be recognised, research and development expenditure is recognised as an expense in the period in which it is incurred.

1 Accounting policies continued

Contract fulfilment costs

The Group recognises the costs incurred in fulfilling future performance obligations for contracts with customers, where those costs are directly associated with the contract, as an asset if those costs are expected to be recoverable, and records them in 'other assets' in the Consolidated Statement of Financial Position. Costs associated with fulfilment of future performance obligations are amortised over the period that those specific performance obligations are performed.

Acquired intangible assets

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. These include items such as customer contracts and intellectual property.

Impairment of non-current assets

The Group reviews the carrying amounts of its assets annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. In the case of a cash-generating unit, any impairment loss is charged first to any goodwill in the cash-generating unit and then pro rata to the other assets of the cash-generating unit.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets

(a) Trade and other receivables

Trade and other receivables are recognised initially at their fair value and then at amortised cost using the effective interest method. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits held on call with banks. The Group does not consider cash received on behalf of and due to the Group's clients as cash and cash equivalents. These amounts are held within other debtors.

1 Accounting policies continued

Financial instruments continued

Financial liabilities and equity

(c) Trade and other payables

Trade payables are recognised initially at their fair value and then amortised cost.

(d) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

(e) Lease liabilities

Lease liabilities are initially recognised at the present value of the lease payments and then at amortised cost.

(f) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract is a lease, the Group assesses whether:

- The contract involves the use of an identified asset;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the contracted fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to £nil.

Short term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a minimum lease term of 12 months or less and leases of low-value assets which the Group considers to be any lease for an asset with a cost of less than £5,000. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1 Accounting policies continued

Employee benefits

The Group operates a defined contribution auto-enrolment personal pension scheme for UK employees of the Group. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charged in the income statement are the contributions payable to the scheme in respect of the accounting period.

Current and deferred income tax

Current tax

The tax currently payable is based on taxable profit or loss for the year in each territory. Taxable profit or loss differs from the profit or loss for the financial year as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

The UK Research & Development tax credit is accounted for under the SME tax credit scheme, with the credit due being deducted from the tax expense for the period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

The Company issues equity-settled share-based remuneration to certain employees as consideration for services. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted calculated using the Black-Scholes or Monte Carlo models as appropriate. The fair value determined at the grant date of equity-settled share-based payments is recognised as an expense over the vesting period on a straight-line basis, based on the Group's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. The expected life used in the valuation, based on the Directors' best estimate, takes account of the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the options at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

When the options are exercised the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

1 Accounting policies continued

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Equity

Equity comprises the following:

- Share capital, representing the nominal value of issued shares of the Company;
- Share premium, representing the excess over the nominal value of the fair value of consideration received for shares, net of expenses of the share issue;
- Merger reserve, representing the excess of the Company's investment over the nominal value of Eagle Eye Solutions Limited's shares acquired using the principles of merger accounting;
- Share option reserve, representing the cost of equity-settled share-based payments until such share options are exercised or lapse; and
- Retained losses.

2 Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires the Directors to make judgements and estimates that affect the reported amounts of assets and liabilities at each reporting date and the reported amounts of revenue during the reporting periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Information about such judgements and estimations are contained in individual accounting policies. The key judgements and sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are outlined next on pages 77 to 79.

Capitalisation of internally-generated intangible assets

Careful judgement by the Directors is applied when deciding whether the recognition requirements as defined within IAS 38 Intangible Assets for development costs have been met. This is necessary as the economic success of any product development is uncertain until such time as technical viability has been proven and commercial supply agreements are likely to be achieved. Judgements are based on the information available at each reporting date which includes contracts signed, pipeline conversations and results of QA testing. In addition, all internal activities related to research and development of new products are continuously monitored by the Directors through the Product Board. The Directors exercise judgement in determining the costs to be capitalised and will use estimates to determine the useful economic life to be applied to the asset.

Impairment of internally-generated intangible assets

The Group reviews the carrying value of its assets annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists a review of the recoverable value of the asset is performed. This review involves the use of judgement to consider the future projected income streams that will result from the aforementioned costs. The expected future cash flows are modelled and discounted over the estimated expected life of the assets in order to test for impairment. In the years represented in these consolidated financial statements no impairment charge was recognised as a result of these reviews. The carrying value of internally generated intangible assets at 30 June 2024 is £8.6m (2023: £7.0m).

Impairment of goodwill

The Group determines whether goodwill arising on acquisitions is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the goodwill is allocated. Estimating a value in use amount requires the Directors to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2 Critical accounting estimates and judgements continued

Impairment of goodwill continued

The Group's patented, proprietary technology and service offering are unique and there are therefore no direct competitors against whom forecast growth and discount rates can be compared. Therefore the growth and discount rates are selected based on comparison with those of the Group's partners and those companies that the Group is compared with by City analysts and investors.

The actual cash flows may be different from the Directors' estimates, which could impact the carrying value of the goodwill and therefore operating results negatively. The carrying value of goodwill at 30 June 2024 is £6.0m (2023: £6.1m).

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a client and is recognised when the performance obligations specified in a contract are transferred to a client, which may be at a point in time or over time.

For the Group's largest clients, the initial stage of engagement will often include scoping and rescoping of the solution, working in consultation with our clients under an agile methodology. In this case revenue for the implementation services will be recognised as the scoping and development of the solution is completed. Otherwise, the performance obligation is the delivery of a SaaS solution and the implementation is an integral part of this. The associated revenue will therefore be recognised over the period that the service is live, post implementation. Therefore the Directors must exercise their judgement in determining those instances where the implementation services form a separate performance obligation for the client.

Revenue related to implementation services in the year to 30 June 2024 was £10.2m (2023: £8.6m). Once a service is live for a client there is generally only one performance obligation – the provision of the SaaS solution. This meets the criteria to be recognised over time and, because the SaaS solution should be provided on a continuing basis, the Directors have exercised their judgement that it is appropriate to recognise this revenue on a straight-line basis, reflecting the passage of time.

Contract costs

Costs associated with winning new contracts, such as sales commission for the Group's 'Win' sales team, are capitalised within intangible assets and amortised over the longer of the contract period or the expected term of the client relationship, where significant further costs are not expected to be incurred for renewal. Costs associated with implementation of the Group's SaaS solution are capitalised as Contract fulfilment costs and amortised over the period of the performance obligation. The Directors exercise judgement in determining the costs to be capitalised and use estimates to determine the expected term of the client relationship. Contract costs capitalised in the year to 30 June 2024 were £3.8m (2023: £2.8m).

Share-based payment charge

The Group issues share options and other share-based incentives to certain employees. The Black Scholes and Monte Carlo models are used to calculate the appropriate charge for these options. The choice and use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate risk-free interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. In addition, the Directors estimate the percentage of options that are expected to vest considering the likelihood of achieving performance targets and employee churn rates. Should more options vest than estimated the charge would increase.

The total charge recognised in the year to 30 June 2024 is £2.8m (2023: £2.4m). Further information on share options can be found in Note 18.

2 Critical accounting estimates and judgements continued

Deferred tax asset recognition

The Directors' judgement is required to determine the amount of tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. With the Group's increase in EBITDA and strong pipeline to promote further growth, a larger proportion of tax losses brought forward are now expected to be realisable and therefore in the judgement of the Directors meet the 'probable' definition criteria for an asset within IAS 12. The value of the unrecognised tax losses at 30 June 2024 was £8.6m (2023: £12.0m). The value of the deferred tax asset not recognised at 30 June 2024 was £2.2m (2023: £3.0m). The deferred tax asset is valued at £8.5m (2023: £1.6m) was recognised for tax losses carried forward. Further information on the Group's deferred tax position can be found in Note 15.

3 Segmental analysis

The Group is organised into two principal operating divisions for management purposes. These reflect the organic Eagle Eye business and the EagleAI business acquired in 2023. All non-current assets are held in the United Kingdom, other than the right of use asset relating to the lease for the Paris office of EagleAI and capitalised intellectual property of EagleAI.

	Organic 2024 £000	EagleAI 2024 £000	Total 2024 £000	Organic 2023 £000	EagleAI 2023 £000	Total 2023 £000
Revenue	43,309	4,424	**47,733**	40,862	2,212	43,074
Cost of sales	(1,283)	–	**(1,283)**	(2,091)	–	(2,091)
Gross profit	42,026	4,424	**46,450**	38,771	2,212	40,983
Adjusted operating costs	(31,037)	(4,153)	**(35,190)**	(30,060)	(2,134)	(32,194)
Adjusted EBITDA	10,989	271	**11,260**	8,711	78	8,789

Revenue is analysed as follows:

Service	2024 £000	2023 £000
Development and set up fees	**10,249**	8,563
Subscription and transaction fees	**37,484**	34,511
	47,733	43,074

Product	2024 £000	2023 £000
AIR revenue	**41,911**	38,440
EagleAI revenue	**4,424**	2,212
Messaging revenue	**1,398**	2,422
	47,733	43,074

Timing	2024 £000	2023 £000
Services transferred over time	**47,733**	43,074

In the year to 30 June 2024, revenue from three of the Group's customers represented more than 10% of the Group's revenue. Revenue related to those customers was £9.8m, £5.9m and £4.8m respectively. In the year to 30 June 2023, revenue from two of the Group's customers represented more than 10% of the Group's revenue. Revenue related to those customers was £8.9m and £6.0m respectively.

3 Segmental analysis continued

All revenues are from external customers. Continuing revenues can be attributed to the following geographical locations, based on the customers' location:

	2024 £000	2023 £000
United Kingdom	**15,614**	16,076
France	**3,014**	1,530
United States	**16,185**	15,159
Canada	**7,074**	6,163
Australia	**5,036**	3,772
Rest of Europe	**152**	59
Rest of Asia Pacific	**658**	315
	47,733	43,074

All international territories have demonstrated growth year on year; the decline in the United Kingdom reflects a reduction in revenue earned from the expected reduction in Messaging and from Sainsbury's as this contract reached the end of its lifecycle.

The amount of revenue recognised in 2024 from performance obligations satisfied (or partially satisfied) in previous periods is £nil (2023: £nil).

Transaction price allocated to the remaining performance obligation

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2025 £000	2026 £000	2027 £000	Total £000
Development and set up fees	5,497	1,805	950	8,252
Subscription fees	36,052	5,056	2,460	43,568
	41,549	6,861	3,410	51,820

No consideration from contracts with customers is excluded from the amounts presented above.

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging to the statement of comprehensive income:

	2024 £000	2023 £000
Depreciation of owned tangible assets	**244**	219
Depreciation of right of use assets	**474**	268
Amortisation of intangible assets	**5,053**	3,771
Amortisation of contract fulfilment costs	**3,127**	1,426
Net employee costs (see Note 5)	**23,017**	20,836
IT infrastructure costs	**9,559**	8,065
Expenses relating to short-term leases	**210**	243
Auditor's remuneration		
Audit of parent and consolidated accounts	**51**	63
Audit of the Company's subsidiaries	**67**	67
Non-audit services		
Other non-audit services[1]	**33**	33
Research and development	**168**	677

1. Other non-audit services includes ISAE 3402 compliance costs of £32,500 (2023: £32,500).

5 Particulars of staff

The average number of persons employed by the Group, including Executive Directors, during the year was:

	2024 No	2023 No
Product development	**81**	73
Operations	**117**	97
Sales and administration	**59**	52
	257	222

The aggregate payroll costs of these persons were:

	2024 £000	2023 £000
Wages and salaries	**22,997**	20,985
Share-based payment charge	**2,835**	2,426
Social security costs	**2,909**	2,154
Pension costs – defined contribution plan	**988**	715
	29,729	26,280
Less: amounts capitalised as intellectual property	**(2,942)**	(2,605)
Less: amounts capitalised as contract costs	**(3,770)**	(2,839)
	23,017	20,836

Key management remuneration

Remuneration of the key management team, which includes the executive leadership team including Directors, during the year was as follows:

	2024 £000	2023 £000
Aggregate emoluments including short-term employee benefits	**2,453**	3,115
Share-based payment charge	**2,399**	1,968
Pension costs – defined contribution plan	**43**	46
Social security costs	**336**	419
	5,231	5,548

Directors' remuneration

Remuneration of Directors during the year was as follows:

	2024 £000	2023 £000
Aggregate emoluments including short-term employee benefits	**1,644**	2,008
Pension costs – defined contribution plan	**13**	20
	1,657	2,028

The remuneration of the highest paid Director during the year was:

	2024 £000	2023 £000
Aggregate emoluments including short-term employee benefits	**671**	858

The remuneration of individual Directors is disclosed in the Remuneration Report on page 47 to 55. Retirement benefits are accruing to two (2023: two) Directors. Other than as stated in the Remuneration Report, there were no other share options exercised or gains made on exercise of share options by Directors during the year (2023: nil).

6 Finance income and expense

	2024 £000	2023 £000
Interest receivable on bank deposits	**41**	30

	2024 £000	2023 £000
Interest payable on facilities	**73**	139
Interest on lease liability	**80**	31
	153	170

7 Taxation

	2024 £000	2023 £000
Current tax		
UK Corporation tax at 25.00% (2023: 20.50%)	**–**	–
Overseas tax	**164**	(453)
Adjustments in respect of prior years	**37**	–
	201	(453)
Deferred tax		
In respect of current year	**(4,414)**	414
In respect of prior years	**(802)**	(1,909)
	(5,216)	(1,495)
Tax credit on (loss)/profit for the period	**(5,015)**	(1,948)

	2024 £000	2023 £000
Tax reconciliation		
Profit/(loss) before tax	**719**	(760)
Tax using UK corporation tax rate of 25.00% (2023: 20.50%)	**180**	(156)
Non-deductible expenses	**213**	260
Variance in overseas tax rates	**268**	–
Employee share acquisition relief	**–**	(629)
Share-based payments	**352**	498
Temporary timing differences	**–**	397
Overseas tax	**(1,455)**	(480)
Unrelieved tax losses	**(3,334)**	(1,749)
Change in deferred tax rate	**–**	(269)
Adjustment in respect of prior years	**(1,090)**	–
Research and development tax credit claim	**(149)**	180
Tax credit on (loss)/profit for the period	**(5,015)**	(1,948)

The improvement in underlying profitability during the year, in particular in the UK, has allowed the Group to forecast the further recovery of taxable losses brought forward from prior years with more certainty which has resulted in an increase in the deferred tax asset of £6.8m, reflecting historic losses brought forward now being recognised.

8 Earnings per share

The calculation of basic earnings per share is based on the result attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. The calculation of diluted earnings per share is based on the result attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year, diluted for the effect of options being converted to ordinary shares. Basic and diluted earnings per share from continuing operations is calculated as follows:

	2024			2023		
	Earnings per share pence	Profit £000	Weighted average number of ordinary shares	Earning per share pence	Profit £000	Weighted average number of ordinary shares
Basic earnings per share	**19.47**	**5,734**	**29,447,934**	4.25	1,188	27,942,991
Diluted earnings per share	**17.36**	**5,734**	**33,023,177**	3.79	1,188	31,380,031

9 Intangible assets

	Goodwill £000	Costs to obtain contracts £000	Customer contracts £000	Intellectual property £000	Total £000
Cost					
At 1 July 2022	2,664	1,027	–	18,140	21,831
Additions	–	284	–	2,605	2,889
Acquisitions	3,451	–	8,582	1,644	13,677
At 30 June 2023	6,115	1,311	8,582	22,389	38,397
Additions	–	593	–	2,942	3,535
Foreign exchange movement	(136)	–	–	–	(136)
At 30 June 2024	**5,979**	**1,904**	**8,582**	**25,331**	**41,796**
Amortisation					
At 1 July 2022	–	575	–	14,593	15,168
Charge for the year	–	247	1,038	2,486	3,771
At 30 June 2023	–	822	1,038	17,079	18,939
Charge for the year	–	474	1,677	2,902	5,053
At 30 June 2024	**–**	**1,296**	**2,715**	**19,981**	**23,992**
Net book value					
At 30 June 2024	**5,979**	**608**	**5,867**	**5,350**	**17,804**
At 30 June 2023	6,115	489	7,544	5,310	19,458

9 Intangible assets continued

The Group's intellectual property relates to:

1) its internally developed AIR platform;
2) the acquired intellectual property of 2ergo Limited which consisted of a then stand-alone messaging platform and an app and customer interface loyalty solution, both of which have now been integrated within the AIR platform; and
3) the acquired intellectual property of EagleAI (formerly Untie Nots SAS).

Costs to obtain contracts relates to the incremental costs of obtaining contracts which would not have otherwise been incurred.

The Group's goodwill relates to its acquisition of 2ergo Limited on 16 April 2014 and EagleAI (formerly Untie Nots SAS) on 3 January 2023.

Following the successful integration of the acquired 2ergo business, the Group has one identifiable cash generating unit in the UK. An annual impairment review of the goodwill arising on the 2ergo acquisition has therefore been performed for the UK cash generating unit. The recoverable value of the unit has been based on its value in use.

Although taking advantage of central Group resources and in particular the experience and processes of the Group's sales and marketing team, the EagleAI business is still able to be identified as a separate cash generating unit. The recoverable value of the unit has been based on its value in use.

The cash flow projections, which were based on 3 year forecasts approved by the Directors and then extended to cover a 5 year period with a terminal value assumed, supported the carrying value of goodwill and the Group's intellectual property with no impairment required.

2024 Cash generating unit	Carrying value of goodwill £000	Period over which cash flows have been projected	Growth rate beyond management approved forecasts	Pre-tax discount rate for cash flow projections
UK	**2,664**	**5 years**	**2.0%**	**13%**
EagleAI	**3,315**	**5 years**	**2.0%**	**13%**

2023 Cash generating unit	Carrying value of goodwill £000	Period over which cash flows have been projected	Growth rate beyond management approved forecasts	Pre-tax discount rate for cash flow projections
UK	2,664	5 years	2.0%	13%
EagleAI	3,451	5 years	2.0%	13%

As the acquired 2ergo business is fully integrated, the smallest cash generating unit which the goodwill for that unit relates to is the UK cash generating unit.

The key assumptions underlying the forecast are the continued success in winning new business and the discount rate applied. These assumptions are based on management's experience, the current pipeline and the historical success of the cash-generating unit. As the Group's SaaS AIR platform is a unique solution in the marketplace there are no directly comparable companies to compare against when estimating the discount and growth rates to be applied. The rates chosen are estimated considering those used by the Group's partners, other entities that the Group is compared with by City analysts and investors and other entities with similar characteristics to the Group.

9 Intangible assets continued

The key assumptions underlying the forecast for the EagleAI cash generating unit are the continued success in winning new business and the discount rate applied. These assumptions are based on management's experience and the current pipeline, including the impact of being able to cross-sell into existing Eagle Eye customers, plus the access to new markets made capable by Eagle Eye's international presence. As the EagleAI SaaS platform is a unique solution in the marketplace there are no directly comparable companies to compare against when estimating the discount and growth rates to be applied. The rates chosen are therefore the same as for the UK cash generating unit.

The forecasts for both of the units provide sufficient headroom over the value of goodwill and intangible assets attributed to each cash-generating unit. No reasonable change in assumptions would lead to an impairment and therefore no sensitivities have been disclosed. The Group has no intangible assets with indefinite useful lives other than goodwill.

10 Contract fulfilment costs

	2024 £000	2023 £000
At 1 July	**2,562**	1,433
Additions	**3,175**	2,555
Amortisation	**(3,127)**	(1,426)
At 30 June	**2,610**	2,562

Costs to fulfil contracts are charged to the income statement as amortisation over the period of satisfaction of the performance obligations that those costs relate to.

11 Property, plant and equipment

	Right of use assets £000	Computer equipment £000	Office furniture and fittings £000	Total £000
Cost				
At 1 July 2022	1,497	874	311	2,682
Additions	853	171	–	1,024
Acquisitions	209	14	–	223
Disposals	(175)	(6)	–	(181)
At 30 June 2023	2,384	1,053	311	3,748
Additions	103	346	–	449
Disposals	(287)	–	(50)	(337)
At 30 June 2024	**2,200**	**1,399**	**261**	**3,860**
Depreciation				
Al 1 July 2022	1,051	649	298	1,998
Charge for the year	268	210	9	487
Disposals	(175)	(6)	–	(181)
At 30 June 2023	1,144	853	307	2,304
Charge for the year	474	240	4	718
Disposals	(287)	–	(50)	(337)
At 30 June 2024	**1,331**	**1,093**	**261**	**2,685**
Net book value				
At 30 June 2024	**869**	**306**	**–**	**1,175**
At 30 June 2023	1,240	200	4	1,444

There is only one class of Right of Use assets, being Buildings (see Note 19).

12 Trade and other receivables

	2024 £000	2023 £000
Trade receivables	**7,457**	7,716
Less: Provision for expected credit losses	**(299)**	(173)
	7,158	7,543
Prepayments	**1,379**	1,378
Accrued income	**1,106**	1,315
Other assets	**706**	849
	10,349	11,085

The ageing of trade receivables that were not impaired at 30 June was:

	2024 £000	2023 £000
Not past due	**5,919**	7,358
Up to 3 months past due	**1,025**	38
More than 3 months past due	**214**	147
	7,158	7,543

Accrued income and other receivables are not past due (2023: not past due).

The Group trades only with recognised, credit-worthy third parties. Receivable balances are monitored on an ongoing basis with the aim of minimising the Group's exposure to credit losses. The Group has reviewed in detail all items comprising the above not past due and overdue but not impaired trade receivables to ensure that no impairment exists. In addition to assessing the recoverability of each debt invoice individually, the Group also assesses whether it is appropriate to make any general provision for expected credit losses taking into account such factors as historic collection rates and the general economic conditions for clients in each of the sectors the Group serves.

As at 30 June 2024, trade receivables of £299,000 (2023: £173,000) were impaired and provided for. £124,000 of these were more than 3 months old (2023: £167,000 more than 3 months old). The amount of the provision was £299,000 as at 30 June 2023 (2023: £173,000). Movements on the provision for impairment of trade receivables are as follows:

	2024 £000	2023 £000
At 1 July	**173**	158
Receivables written off during the year	**(97)**	–
Provision for expected credit losses charged	**223**	15
At 30 June	**299**	173

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk for trade and other receivables at the reporting date is the carrying value of each class of receivable disclosed above.

12 Trade and other receivables continued

Significant changes in the accrued income balances during the period are as follows:

	2024 £000	2023 £000
At 1 July	**1,315**	802
Transfers from accrued income recognised at the beginning of the period to receivables	**(1,288)**	(802)
Increases as a result of progress made against performance obligations, excluding amounts invoiced during the year	**1,079**	1,315
At 30 June	**1,106**	1,315

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024 £000	2023 £000
Sterling	**4,813**	4,708
Canadian Dollars	**492**	820
Australian Dollars	**703**	221
US Dollars	**2,497**	3,767
New Zealand Dollars	**3**	3
Euros	**1,841**	1,566
	10,349	11,085

13 Trade and other payables

	2024 £000	2023 £000
Current		
Trade payables	**3,014**	3,212
Accruals	**5,217**	7,034
Lease liabilities	**522**	491
Deferred income	**504**	1,068
Other liabilities	**1,326**	1,793
Deferred consideration on acquisition of EagleAI	**–**	654
	10,583	14,252
Non-current		
Lease liabilities	**412**	805
Contingent consideration on acquisition of EagleAI	**–**	1,326
	412	2,131

The deferred consideration on the acquisition of EagleAI related to amounts due following the finalisation of certain tax affairs related to the period prior to the acquisition and were paid on 3 July 2023.

13 Trade and other payables continued

Significant changes in the deferred income balances during the period are as follows:

	2024 £000	2023 £000
At 1 July	**6,824**	4,117
Revenue recognised that was included in the deferred income balance at the beginning of the year	**(4,154)**	(2,079)
Increases due to cash received, excluding amounts recognised as revenue during the year	**3,763**	4,786
At 30 June	**6,433**	6,824

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2024 £000	2023 £000
Sterling	**14,270**	15,664
Euros	**1,027**	3,432
Canadian Dollars	**663**	615
Australian Dollars	**685**	741
New Zealand Dollars	**7**	10
US Dollars	**312**	1,677
	16,964	22,139

14 Financial liabilities

	2024 £000	2023 £000
Borrowings due within one year	**122**	1,102
Borrowings due in more than one year	**50**	197
	172	1,299

The £5.0m revolving credit facility from HSBC Innovation Bank expires in November 2024, with an additional £2.5m available, subject to credit approval at the time, should there be an appropriate investment opportunity. The Group is currently well advanced in the renewal of the facility. As at 30 June 2024 the facility was undrawn (2023: £1.0m drawn down). As security for the facility, HSBC Innovation Bank holds fixed and floating charges over the assets of the Group, including the intellectual property and trade debtors of the Group.

EagleAI holds fixed term capital repayment loans with outstanding amounts at 30 June 2024 of €80,000 with BPI (30 June 2023: €160,000) and €123,000 with BNP Paribas (30 June 2023: €187,000).

15 Deferred tax asset

The elements of deferred taxation are as follows:

	2024 £000	2023 £000
Accelerated capital allowances and intellectual property	**(496)**	157
Tax losses	**(4,230)**	(1,783)
Share-based payments	**(3,699)**	–
Other timing differences	**(14)**	–
IFRS 16 Right of use assets	**217**	–
IFRS 16 Lease liabilities	**(233)**	–
	(8,455)	(1,626)

15 Deferred tax asset continued

Movement in deferred tax:

	Other timing differences £000	Share based payments £000	Accelerated capital allowances & intellectual property £000	Tax losses £000	Total £000
At 1 July 2022	–	–	(203)	334	131
Credited to income statement	–	–	46	1,449	1,495
At 30 June 2023	–	–	(157)	1,783	1,626
Credited to income statement	3	2,150	517	1,744	4,414
Prior year adjustments	11	–	152	639	802
Deferred tax in equity	–	1,549	–	64	1,613
At 30 June 2024	**14**	**3,699**	**512**	**4,230**	**8,455**

No deferred tax asset is recognised for unused tax losses and deferred taxation arising on share options across the Group of £8.6m (2023: £12.0m) due to uncertainty over the timing of their recovery.

16 Financial instruments and financial risk management

The Group is exposed to a variety of financial risks that arise from its use of financial instruments: credit risk, liquidity risk, foreign exchange risk and capital risk.

Principal financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Financial liabilities

	2024 £000	2023 £000
Financial assets		
Trade and other receivables	**8,264**	9,031
Cash and cash equivalents	**10,576**	10,615
	18,840	19,646
Financial liabilities		
Trade and other payables	**9,597**	14,019
Financial liabilities, including leases	**1,106**	2,595
	10,703	16,614

Management believe that the fair values of all financial assets and financial liabilities equals their carrying value.

Disclosures in respect of the Group's financial risks are set out on pages 90 and 91.

16 Financial instruments and financial risk management continued

Financial risk management

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables from customers and cash deposits with financial institutions. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit checks are performed on new and potential customers and receivable balances are monitored on an ongoing basis with the aim of minimising the Group's exposure to bad debt. The Directors consider the above measures to be sufficient to control the credit risk exposure.

The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. Under the Group's treasury policy, limits are in place on the proportion of the Group's funds which can be placed with any one banking institution. In addition, as well as being amongst the largest banks in each territory, those institutions must have a minimum A- long term rating.

At the reporting date, the Group's cash held on short-term deposit with Investec Bank plc in the United Kingdom was £0.2m (2023: £0.9m), with HSBC Bank plc in the United Kingdom was £2.3m (2023: £0.8m), with HSBC Innovation Bank was £1.8m (2023: £4.0m), with HSBC Bank Canada in Canada was £nil (2023: £2.0m), with RBC Royal Bank in Canada was £1.7m (2023: £nil), with First Citizens Bank in the United States of America was £0.8m (2023: £0.2m), with Bank of America in the United States of America was £2.0m (2023: £nil), with Mercury in the United States of America was £0.2m (2023: £0.4m), with BNP Paribas in France was £1.0m (2023: £0.7m) with ANZ Bank in New Zealand was £0.2m (2023: £0.2m) and with ANZ Bank in Australia was £0.4m (2023: £1.3m).

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained. In the Directors' opinion there have been no impairments of financial assets in the period, other than in relation to trade receivables written off of £0.1m (2023: £nil). The Group's trade receivables and contract assets do not contain significant financing components and therefore the Group uses the Simplified Approach to calculating expected credit losses under IFRS 9. The size of the bad debt provision at 30 June 2024 has been amended to reflect any disputes or delays in collection in the year.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation.

The Group has maintained its facility with HSBC Innovation Bank (formerly Silicon Valley Bank UK Ltd) and has a £5m revolving credit facility, secured on the Group's assets, with an additional £2.5m available, subject to credit approval at the time, should there be an appropriate investment opportunity. The Group is currently well advanced in the renewal of the facility. At 30 June 2024, the facility was unutilised (30 June 2023: £1.0m utilised), leaving headroom of £5.0m.

The Directors manage liquidity risk by regularly reviewing the Group's cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections prepared by management.

16 Financial instruments and financial risk management continued

Financial risk management continued

Foreign exchange risk

Activities in each foreign currency are funded as much as possible through operating cash flows, mitigating foreign exchange risk. Funds held in foreign currencies and not required for operating expenses in the local currency are converted to Sterling as appropriate taking into consideration prevailing foreign exchange rates at the time of receipt and the Group's hedging of future foreign currency cash flows through the use of participating forward contracts. There were no outstanding hedges at 30 June 2024 (2023: none). The Group's revolving credit facility is denominated in Sterling. The Group has the following cash and cash equivalent deposits:

	2024 £000	2023 £000
Sterling	**3,832**	2,218
Euros	**1,084**	722
Canadian Dollars	**1,657**	2,004
Australian Dollars	**575**	1,467
US Dollars	**3,217**	3,912
New Zealand Dollars	**211**	292
	10,576	10,615

The gross value of receivables and payables by currency is disclosed in Notes 12 and 13 respectively. The Group has the following net other financial instruments:

	2024 £000	2023 £000
Sterling	**(3,546)**	(7,500)
Euros	**(69)**	(2,240)
Canadian Dollars	**327**	296
Australian Dollars	**(400)**	(428)
US Dollars	**2,038**	2,284
Singapore Dollars	**30**	–
New Zealand Dollars	**8**	5
	(1,612)	(7,583)

A 5% strengthening in the currency translation rate between Sterling and overseas currencies would have the following effect on the Group's net assets and profit before tax:

Canadian Dollars	2024 £000	2023 £000
Net assets	**(71)**	(105)
Profit/(loss) before tax	**(25)**	(7)

Australian Dollars	2024 £000	2023 £000
Net assets	**(31)**	(48)
Profit/(loss) before tax	**(1)**	(4)

US Dollars	2024 £000	2023 £000
Net assets	**(246)**	(307)
Profit/(loss) before tax	**(241)**	(15)

16 Financial instruments and financial risk management continued

Financial risk management continued

Foreign exchange risk continued

Euros	2024 £000	2023 £000
Net assets	**(111)**	(602)
Profit/(loss) before tax	**(34)**	1

New Zealand Dollars	2024 £000	2023 £000
Net assets	**(8)**	(11)
Profit/(loss) before tax	**13**	21

Maturity of financial assets and liabilities

All of the Group's financial assets and financial liabilities at each reporting date are either receivable or payable within one year, other than in respect of the Group's leases (see Note 19) and therefore the fair value of those financial assets and liabilities equals their carrying value.

Capital management

The Group's capital structure is comprised of shareholders' equity and debt raised through the revolving credit facility with HSBC Innovation Bank. The objective of the Group when managing capital is to maintain adequate financial flexibility to preserve its ability to meet its financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions.

The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from operating cash flows, issuances of shareholders' equity and from the revolving credit facility with HSBC Innovation Bank. There are no externally imposed capital requirements. Financing decisions are made by the Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

17 Share capital and reserves

The authorised share capital of the Company at 30 June 2024 is 29,613,336 ordinary shares of 1p each.

	Number of shares issued and fully paid £000	Share capital £000	Share premium £000
At 1 July 2022	26,422,111	264	17,685
Issue of share capital	2,835,293	29	12,525
Issue costs	–	–	(285)
At 30 June 2023	29,257,404	293	29,925
Issue of share capital	355,932	3	164
At 30 June 2024	29,613,336	296	30,089

On 25 September 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 18,096.

17 Share capital and reserves continued

On 23 October 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 16,886.

On 3 November 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 100,000.

On 18 January 2024, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 218,650.

On 22 March 2024, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,300.

Merger reserve

The acquisition of its principal subsidiary, Eagle Eye Solutions Limited, by the Group in 2014 did not meet the definition of a business combination and therefore fell outside the scope of IFRS 3. The acquisition was therefore accounted for in accordance with the principles of merger accounting.

The consideration paid to the shareholders of Eagle Eye Solutions Limited was 13,641,384 ordinary shares of 1p each. A merger reserve arises on consolidation being the difference between the nominal value of the shares issued on acquisition and the net assets acquired.

18 Share option schemes

The Company has a share option scheme for certain employees and Directors of the Group. Options are generally exercisable at a price equal to the market price of the Company's shares on the day immediately prior to the date of grant. Options are forfeited if the employee or Director leaves the Group before the options vest. The service and performance criteria relating to the options are the continuing employment of the holder and the achievement of certain earnings-based performance criteria and, in the case of the LTIP Share Option Scheme, may include the overall underlying performance of the Company, taking into account, among other matters, the Company's share price (as set out on pages 49 to 52).

	2024 Number of share options	2024 Weighted average exercise price £	2023 Number of share options	2023 Weighted average exercise price £
Outstanding at the beginning of the year	**3,569,398**	**0.17**	3,745,589	0.27
Granted during the year	**279,542**	**0.01**	473,010	0.01
Exercised in the year	**(355,932)**	**(0.47)**	(642,513)	(0.59)
Lapsed in the year	**–**	**–**	(6,688)	(1.74)
Outstanding at the end of the year	**3,493,008**	**0.13**	3,569,398	0.17
Exercisable at the end of the year	**2,638,961**	**0.08**	2,300,690	0.16

18 Share option schemes continued

In the year ended 30 June 2024, options were granted on 21 November 2023. The aggregate of the estimated fair value of the options granted on that day was £1.4m and the share price on that date was £5.15.

In the year ended 30 June 2023, options were granted on 4 April 2023. The aggregate of the estimated fair value of the options granted on that day was £2.7m and the share price on that date was £5.70.

In the year ended 30 June 2024, options were exercised as follows:

Date of exercise	Share price
25 September 2023	£5.30
23 October 2023	£4.59
3 November 2023	£4.62
18 January 2024	£5.35
22 March 2024	£5.63

In the year ended 30 June 2023, options were exercised as follows:

Date of exercise	Share price
8 August 2022	£5.53
20 October 2022	£5.63
16 November 2022	£5.64
22 November 2022	£5.55
25 November 2022	£5.68
20 January 2023	£5.50
10 February 2023	£5.40
14 March 2023	£5.58
12 April 2023	£5.50
11 May 2023	£5.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

18 Share option schemes continued

Options outstanding under the Company's share option schemes were as follows:

Name of scheme	2024 No of options	2023 No of options	Calendar year of grant	Exercise period	Exercise price per share
EMI Share Option Scheme	–	24,344	2014	2014-2024	£0.51
EMI Share Option Scheme	28,808	28,808	2015	2015-2025	£2.07
EMI Share Option Scheme	7,500	7,500	2015	2015-2025	£2.23
EMI Share Option Scheme	55,000	57,300	2016	2016-2026	£1.32
EMI Share Option Scheme	10,000	58,193	2017	2017-2027	£2.69
EMI Share Option Scheme	117,500	117,500	2017	2017-2027	£2.33
EMI Share Option Scheme	–	20,926	2019	2019-2029	£1.00
LTIP Share Option Scheme	585,979	585,979	2016	2016-2026	£0.01
LTIP Share Option Scheme	251,581	251,581	2017	2017-2027	£0.01
LTIP Share Option Scheme	713,731	729,956	2019	2019-2029	£0.01
LTIP Share Option Scheme	445,321	536,103	2020	2020-2030	£0.01
LTIP Share Option Scheme	356,318	462,802	2021	2021-2031	£0.01
LTIP Share Option Scheme	215,396	215,396	2022	2022-2032	£0.01
LTIP Share Option Scheme	705,874	473,010	2023	2023-2033	£0.01

The weighted average remaining contractual life of these options is 5.3 years (2023: 6.0 years).

The fair value of the employees' services received in exchange for the grant of share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. Fair value is determined by reference to the Black-Scholes option pricing model.

18 Share option schemes continued

The inputs into the option pricing model are as follows:

	2024	2023
Weighted average exercise price	**£0.13**	£0.17
Expected volatility	**25.3%-44.4%**	25.3%-44.4%
Expected life	**4-8 years**	5-8 years
Risk free interest rate	**0.2%-4.3%**	0.2%-3.7%
Expected dividends	**Nil**	Nil

The volatility of the Company's share price on each date of grant is calculated as the average of the annualised standard deviations of daily continuously compounded returns on the Company's stock.

On 4 April 2023, the Group launched the Growth Plan, a one-off award of B shares in Eagle Eye Solutions Holdings Limited ('B shares'), an intermediate holding company of the Group, which are convertible on exercise into ordinary shares in Eagle Eye ('Ordinary Shares'). The plan is designed to focus solely on creating shareholder value through a series of distinct, stretching share price hurdles. The awards under the Growth Plan will vest on the third anniversary of grant and, unless converted into Ordinary Shares, expire after ten years from grant. The fair value of the employees' services received in exchange for the Growth Plan shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. Fair value is determined by reference to the Monte Carlo pricing model.

The inputs into the pricing model are as follows:

	2023
Weighted average exercise price	£0.01
Expected volatility	40%-45%
Expected life	3-5 years
Risk free interest rate	3.31%-3.38%
Expected dividends	Nil

The Group recognised a charge of £2.8m (2023: £2.4m) related to equity-settled share-based payment transactions in the year.

19 Leases

The following expenses relating to leases were recognised during the period.

	2024 £000	2023 £000
Depreciation charge for right of use assets	**474**	268
Interest expense on lease liabilities	**80**	31
Short-term lease expense	**210**	243
Total cash outflow for leases	**787**	558

The carrying value of and, where applicable, additions to the Group's right of use assets are disclosed in Note 11.

At 30 June, the Group had aggregate minimum lease payments under non-cancellable leases for office sites under IFRS 16 as follows:

	2024 £000	2023 £000
Due within 1 year	**522**	523
Due within 2-5 years	**117**	426
	639	949

The Group's Guildford office lease agreement can be cancelled at the end of its initial 10 year term, which commenced in July 2015. The lease for the Group's Manchester office can be cancelled at the end of its initial 13 month term, which commenced in December 2023. The lease for the Group's London office can be cancelled after 2 years of its initial 5 year term, which commenced in April 2023. The lease for the Group's Paris office can be cancelled at the end of its current three year term, which commenced in January 2023. There are no further options for extension or termination and there are no residual value guarantees.

20 Related party transactions

The remuneration of the Directors and key management personnel is disclosed in Note 5.

During the year the Group sold AIR services to the value of £1.8m (2023: £0.0m) to companies associated with Morrisons, a subsidiary of Market Topco Limited in which Sir Terry Leahy, a Director of the Company, is a Director. At 30 June 2024, £0.5m (2023: £nil) was outstanding in respect of these services.

During the year the Group acquired sub-contractor technical development services to the value of £34,000 (2023: £41,000) from Eagle Eye Technology Limited, a company in which Stephen Rothwell, a Director of the Company, holds an interest. At 30 June 2024, £4,900 (2023: £3,900) was outstanding in respect of these services.

None of the key management personnel of the Group owe any amounts to any company within the Group (2023: £nil), nor are any amounts due from any company in the Group to any of the key management personnel (2023: £nil).

21 Alternative performance measure

Adjusted EBITDA is a key performance measure for the Group and is derived as follows:

	2024 £000	2023 £000
Profit/(loss) before taxation	**719**	(760)
Add back:		
Finance income and expense	**112**	140
Share-based payments	**2,835**	2,426
Depreciation and amortisation	**8,897**	5,685
Acquisition cost	**–**	1,298
Change in fair value of contingent consideration	**(1,303)**	–
Adjusted EBITDA	**11,260**	8,789

Direct profit is a new performance measure for the Group which is more comparable to the gross profit measure of other SaaS companies and is derived as follows:

	2024 £000	2023 £000
Profit/loss before taxation	**719**	(760)
Add back:		
Finance income and expense	**112**	140
Share-based payments	**2,835**	2,426
Depreciation and amortisation	**8,897**	5,685
Acquisition cost	**–**	1,298
Change in fair value of contingent consideration	**(1,303)**	–
Other income	**(195)**	(122)
Indirect operating expenses	**23,785**	22,415
Direct profit	**34,850**	31,082

22 Net cash

Net cash is a key performance measure for the Group and is defined as follows:

	30 June 2023 £000	Cash flow £000	Foreign exchange adjustments £000	30 June 2024 £000
Cash and cash equivalents	10,615	159	(198)	**10,576**
Financial liabilities	(1,299)	1,127	–	**(172)**
Net cash	9,316	1,286	(198)	**10,404**

23 Business combinations

As disclosed in the Annual Report for the year ended 30 June 2023, on 3 January 2023, Eagle Eye Solutions Group plc completed the acquisition of 100% of the issued share capital of EagleAI. The provisional fair value of the net assets acquired was determined to be £12.3m and no adjustment is to be made following the completion of the twelve month hindsight period. Deferred tax liabilities arising on the intangibles are matched by trading losses and therefore a net nil position is reported.

Contingent consideration is due to be paid in FY25 subject to specific revenue targets being achieved in the year to December 2024 and achievement of a minimum EBITDA margin. The minimum targets for contingent consideration are not expected to be achieved in the timescales required and therefore this consideration has been released during the year. In accordance with IFRS 3 this has no impact on the fair value and goodwill calculation.

24 Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party due to no individual party owning a majority share in the Company. See page 56 for information on percentage shareholdings.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Note	2024 £000	2023 £000
Non-current assets			
Investments in subsidiaries	4	**30,222**	28,750
Current assets			
Trade and other receivables	5	**3,794**	5,576
Cash and cash equivalents		**74**	673
		3,868	6,249
Total assets		**34,090**	34,999
Current liabilities			
Trade and other payables	6	**(215)**	(1,055)
Short term borrowings		**–**	(1,000)
		(215)	(2,055)
Non-current liabilities			
Trade and other payables	6	**–**	(1,356)
Total liabilities		**(215)**	(3,411)
Net assets		**33,875**	31,588
Equity attributable to owners of the parent			
Share capital	7	**296**	293
Share premium	7	**30,089**	29,925
Share option reserve		**9,084**	7,291
Retained losses		**(5,594)**	(5,921)
Total equity		**33,875**	31,588

The Company has not presented its own income statement as permitted by section 408 (4) of the Companies Act 2006. The loss for the financial year dealt with in the accounts of the Company is £0.7m (2023: £2.1m).

These financial statements were approved by the Board on 17 September 2024 and signed on its behalf by:

L Sharman-Munday
Director

T Mason
Director

Company number: 08892109

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2024

	Share capital £000	Share premium £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 1 July 2022	264	17,685	5,549	(4,525)	18,973
Loss for the financial year	–	–	–	(2,080)	(2,080)
Transactions with owners recognised in equity					
Issue of share capital	22	12,148	–	–	12,170
Issue costs	–	(285)	–	–	(285)
Exercise of share options	7	377	–	–	384
Fair value of share options exercised in the year	–	–	(684)	684	–
Share-based payment charge	–	–	2,426	–	2,426
	29	12,240	1,742	684	14,695
Balance at 30 June 2023	293	29,925	7,291	(5,921)	31,588
Loss for the financial year	–	–	–	(715)	(715)
Transactions with owners recognised in equity					
Exercise of share options	3	164	–	–	167
Fair value of share options exercised in the year	–	–	(1,042)	1,042	–
Share-based payment charge	–	–	2,835	–	2,835
	3	164	1,793	1,042	3,002
Balance at 30 June 2024	296	30,089	9,084	(5,594)	33,875

1 Accounting policies

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. These financial statements conform to FRS 102.

The preparation of financial statements requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial information, are disclosed in note 2.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 26 'Share-based Payment' – Sections 26.18(b), 26.19-26.21 and 26.23
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The presentational and functional currency of the Company is Sterling. Results in these financial statements have been prepared to the nearest £1,000.

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks – Guidance for directors of companies that do not apply the UK Corporate Governance Code.

The Directors have prepared detailed financial forecasts and cash flows for the Group looking 3 years beyond the date of these consolidated financial statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. The success of the Group drives the success of the Company.

On the basis of the above projections, the Directors are confident that the Group has sufficient working capital and available funds to honour all of its obligations to creditors as and when they fall due. In reaching this conclusion, the Directors have considered the forecast cash headroom, the resources available to the Group and the potential impact of changes in forecast growth and other assumptions, including the potential to avoid or defer certain costs and to reduce discretionary spend as mitigating actions in the event of such changes. This means that the Company expects to be able to recover its intercompany receivables. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Investments

Investments held by the Company are stated at cost less any provision for impairment in the Company's financial statements. The cost includes the non-cash impact of group settled share-based payment arrangements.

Impairment of investments

The Company reviews the carrying values of its investments annually to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted.

1 Accounting policies continued

Impairment of investments continued

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets

(a) Trade and other receivables

Trade and other receivables are recognised initially at their fair value and then at amortised cost. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits held on call with banks.

Financial liabilities and equity

(c) Trade and other payables

Trade payables are recognised initially at their fair value and then amortised cost.

(d) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

Current income tax

The tax currently payable is based on taxable loss for the year. Taxable loss differs from the loss for the financial year as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Share-based payments

The Company issues equity-settled share-based remuneration to certain employees of the Group as consideration for services. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted, calculated using the Black-Scholes or Monte Carlo models as appropriate. The fair value determined at the grant date of equity-settled share-based payments is recognised as an expense for employees of the Company, or as an investment in the subsidiary entity employing the relevant employees otherwise, over the vesting period on a straight-line basis, based on the Directors' estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. The expected life used in the valuation, based on the Directors' best estimate, takes account of the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the options at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

When the options are exercised the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

1 Accounting policies continued

Equity

Equity comprises the following:

- Share capital, representing the nominal value of issued shares of the Company;
- Share premium, representing the excess over the nominal value of the fair value of consideration received for shares, net of expenses of the share issue;
- Share option reserve, representing the cost of equity-settled share-based payments until such share options are exercised or lapse; and
- Retained losses.

2 Critical accounting estimates and judgements

The preparation of these financial statements requires the Directors to make judgements and estimates that affect the reported amounts of assets and liabilities at each reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Information about such judgements and estimations is contained in individual accounting policies. The key judgements and sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are outlined below:

Impairment of investments

An impairment review of the Company's investments in its subsidiaries is undertaken at least annually. This review involves the use of judgement to consider the future projected income streams that will result from those investments. The expected future cash flows are modelled and discounted over the expected life of the investments in order to test for impairment. In the years represented in these financial statements no impairment charge was recognised as a result of these reviews.

Share-based payment charge

The Company issues share options and other share-based incentives to attract and retain certain employees of the Group. The Black Scholes and Monte Carlo models are used to calculate the appropriate charge for these options. The use of this model to calculate a charge involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge. In addition, the Directors estimate the percentage of options that are expected to vest considering the likelihood of achieving performance targets and employee churn rates. Should more options vest than estimated the charge would increase.

The total charge recognised by the Company in the year to 30 June 2024 is £nil (2023: £nil) with a capital contribution in a subsidiary company of £2.8m (2023: £2.4m). Further information on share options can be found in Note 18 to the consolidated financial statements.

3 Particulars of staff

The Company had no staff during the year or the prior year, other than Directors. Details of Directors' remuneration are contained in Note 5 to the consolidated financial statements.

4 Investments

Investments in subsidiaries and joint ventures

	£000
Cost and net book value	
At 1 July 2022	10,647
Share-based payment charge	2,426
Acquisition of EagleAI	15,677
At 30 June 2023	28,750
Share-based payment charge	2,835
Acquisition of EagleAI	(1,357)
Foreign exchange impact on EagleAI	(6)
At 30 June 2024	30,222

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

4 Investments continued

Investment	Principal activity	Country of incorporation	Class and percentage of shares held and voting rights
Eagle Eye Solutions Limited[1]	Digital loyalty services	England & Wales	Ordinary 100%
Eagle Eye Solutions (North) Limited[1]	Dormant	England & Wales	Ordinary 100%
Eagle Eye Solutions Holdings Limited[1]	Holding Company	England & Wales	A Ordinary 100%
Eagle Eye Solutions Canada Limited[2]	Digital loyalty services	Canada	Ordinary 100%
Eagle Eye Solutions Australasia Pty Limited[3]	Digital loyalty services	Australia	Ordinary 100%
Eagle Eye Solutions Inc[4]	Digital loyalty services	United States	Ordinary 100%
Eagle Eye Solutions New Zealand Limited[5]	Digital loyalty services	New Zealand	Ordinary 100%
Untie Nots SAS[6]	Digital AI promotion services	France	Ordinary 100%
Untie Nots Inc[7]	Digital AI promotion services	United States	Ordinary 100%

1. The registered office address of this entity is 5 New Street Square, London, EC3A 4TW, UK
2. The registered office address of this entity is 400-725 Granville Street, Vancouver, BC, V7Y 1G5, Canada
3. The registered office address of this entity is Level 21, 55 Collins Street, Melbourne 3000, Vic, Australia
4. The registered office address of this entity is 251 Little Falls Drive, Wilmington, DE 19808-1674, USA
5. The registered office address of this entity is 166 Moorhouse Avenue, Sydenham, Christchurch 8011, New Zealand
6. The registered office address of this entity is 5 Rue Saint-Germain l'Auxerrois, 75001 Paris, France
7. The registered office address of this entity is 838 Walker Road, Suite 21-2, Dover, DE 19904, USA

5 Trade and other receivables

	2024 £000	2023 £000
Amounts due from group undertakings	**3,763**	5,543
Prepayments and accrued income	**31**	33
	3,794	5,576

The Company's receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable disclosed above. All of the Company's receivables are denominated in Sterling.

6 Trade and other payables

	2024 £000	2023 £000
Current		
Trade payables	**136**	354
Accruals and deferred income	**79**	47
Deferred consideration	**–**	654
Financial liabilities	**–**	1,000
	215	2,055
Non-current		
Contingent consideration	**–**	1,356

7 Share capital

The authorised share capital of the Company at 30 June 2024 is 29,613,336 ordinary shares of 1p each.

	Number of shares issued and fully paid £000	Share capital	Share premium £000
At 1 July 2022	26,422,111	264	17,685
Issue of share capital	2,835,293	29	12,525
Issue costs	–	–	(285)
At 30 June 2023	29,257,404	293	29,925
Issue of share capital	355,932	3	164
At 30 June 2024	29,613,336	296	30,089

On 25 September 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 18,096.

On 23 October 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 16,886.

On 3 November 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 100,000.

On 18 January 2024, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 218,650.

On 22 March 2024, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,300.

8 Related party transactions

The remuneration of the Directors is disclosed in Note 5 to the consolidated financial statements.

9 Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party due to no individual party owning a majority share in the Company. See page 56 for information on percentage shareholdings.

Company no. 8892109

EAGLE EYE SOLUTIONS GROUP PLC
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**'AGM'**) of Eagle Eye Solutions Group plc ('the Company') will be held at MYO, 3 New Street Square, London, EC4A 3BF at 1.00 pm on 21 November 2024.

The AGM will be held in order to consider and, if thought fit, pass the following resolutions which will be proposed as special or ordinary resolutions as indicated.

ORDINARY BUSINESS

Ordinary resolutions

1. THAT the report of the Directors, the financial statements and the report of the auditors for the Company's financial year ended 30 June 2024, be received and adopted.
2. THAT Lucy Sharman-Munday, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
3. THAT Charlotte Stranner, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
4. THAT Anne de Kerckhove, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
5. THAT Tim Mason, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
6. THAT Steve Rothwell, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
7. THAT Sir Terry Leahy, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
8. THAT Robert Senior, who is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.
9. THAT:

   (a) RSM UK Audit LLP of Ninth Floor, Landmark, St Peter's Square, 1 Oxford Street, Manchester, M1 4PB, be re-appointed as auditors of the Company to hold office from the conclusion of the AGM until the conclusion of the next Annual General Meeting of the Company at which financial statements are laid before the Company's shareholders; and

   (b) the Directors be authorised to determine the auditors' remuneration.

SPECIAL BUSINESS

Ordinary resolutions

10. THAT the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ('the Act') to exercise all the powers of the Company to:

    (a) allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £98,711.12; and

    (b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £197,422.24 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 10) in connection with an offer by way of a rights issue to:

        (i) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and

        (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

    and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

These authorities shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and expire at the end of the next Annual General Meeting of the Company or, if earlier, 15 months after the date of this resolution, save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights granted to subscribe for or convert any security into shares after such expiry and the Directors may allot shares or grant such rights in pursuance of any such offer or agreement as if the power and authority conferred by this resolution had not expired.

Special resolutions

11. THAT, subject to the passing of resolution 10, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash:

    (i) pursuant to the authority conferred by resolution 10; or

    (ii) where the allotment constitutes an allotment within the meaning of section 560(2)(b) of the Act,

    in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

        (i) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (b) of resolution 10, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:

            (a) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and

            (b) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Special resolutions continued

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and (ii) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted under the terms of any share option scheme adopted or operated by the Company and the allotment of shares pursuant to any share incentive plan ('SIP') adopted or operated by the Company; and

(iii) the allotment of equity securities, other than pursuant to paragraphs (i) and (ii) above of this resolution, up to an aggregate nominal amount of £29,613.34.

This power shall (unless previously renewed, varied or novated by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or, if earlier, on the date 15 months after the passing of such resolution, save that the Company may before the expiry of this power make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

12. THAT the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares") in such manner and on such terms as the directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:

(a) the maximum number of Ordinary Shares which may be purchased is 2,961,334 (representing 10% of the issued share capital);

(b) the minimum purchase price which may be paid for any Ordinary Share is £0.01 (exclusive of expenses);

(c) the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):

(i) 5% above the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and

(ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid as derived from the trading venue on which the purchase is carried out; and

(d) this authority shall take effect on the date of passing of this resolution and shall (unless previously revoked, renewed or varied) expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, 15 months after the date of passing of this resolution, save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

By order of the Board

James Esson
Company Secretary

For and on behalf of Eagle Eye Solutions Group plc

Dated: 14 October 2024

Registered Office: 5 New Street Square, London EC4A 3TW

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.

2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY no later than 1.00 p.m. on 19 November 2024 (or, in the event of any adjournment, no later than 1.00 p.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays in England and Wales excluded), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

4. The return of a completed proxy form will not prevent a member attending the meeting and voting in person if he/she wishes to do so.

5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 1.00 p.m. on 19 November 2024 (or, in the event of any adjournment, no later than 1.00 p.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays in England and Wales excluded). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

10. A user of the CREST system (including a CREST Personal Member) may appoint a proxy or proxies by having an appropriate CREST message transmitted to be received by no later than 1.00pm on 19 November 2024 (or not less than 48 hours before the time fixed for any adjourned AGM, provided that no account shall be taken of any part of a day that is not a working day).

    CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Notes: continued

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 1.00pm on 19 November 2024 (or not less than 48 hours before the time fixed for any adjourned AGM, provided that no account shall be taken of any part of a day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider(s), are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 1.00 p.m. on 19 November 2024 in order to be considered valid (or, in the event of any adjournment of the AGM, not less than 48 hours before the time fixed for the adjourned meeting, provided that no account shall be taken of any part of a day that is not a working day). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

COMPANY INFORMATION

Directors	Anne de Kerckhove Tim Mason Steve Rothwell Lucy Sharman-Munday Sir Terry Leahy Robert Senior Charlotte Stranner
Secretary	James Esson
Company number	8892109
Registered office	5 New Street Square London EC4A 3TW
Nominated Adviser and Broker	Investec Bank plc 30 Gresham Street London EC2V 7QN
Bankers	HSBC UK Bank Plc Alphabeta 14-18 Finsbury Square London EC2A 1BR
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Independent auditor	RSM UK Audit LLP Chartered Accountants Ninth Floor, Landmark St Peter's Square 1 Oxford Street Manchester M1 4PB

NOTES

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