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23 July 2024

Eagle Eye Solutions Group plc
("Eagle Eye", the "Group", or the "Company")

FY 2024 Trading Update
19% ARR growth and strong EBITDA performance, ahead of expectations

Eagle Eye (LSE: "EYE"), a leading SaaS technology company that creates digital connections enabling personalised, real-time marketing, is pleased to provide an update on the Group's trading for the year ended 30 June 2024 (the "Year" or "FY 2024").

Financial Highlights

	FY 2024	FY 2023	% change
Period end Annual Recurring Revenue (ARR) ¹	£39.7m	£33.3m	+19%
Group Revenue	£47.7m	£43.1m	+11%
Recurring revenue (subscription fees and transactions)	79%	80%	-1pps
Adjusted EBITDA ²	£11.3m	£8.8m	+28%
Adjusted EBITDA ² margin	24%	20%	+4pps
Closing net cash ³ position	£10.4m	£9.3m	+12%

- Another year of profitable growth, with new customers secured in the UK, North America and Australia and expansion with existing customers including Tesco, Morrisons and Asda in the UK, Hudson's Bay in North America and Woolworths in Australia
- Several new international customers won at the end of the Year, including Central Retail Vietnam - the Group's first customer in Vietnam, Z Energy in New Zealand, and Picard and Chronodrive in France
- The Group exited the Year with strong ARR, up 19% year on year, with the majority of revenue from the wins in Q4 FY 2024 to be recognised from FY 2025 onwards
- The win momentum towards the end of FY 2024 has continued post year end, with RONA in Canada and Waterstones in the UK, increasing ARR further and providing good visibility for FY 2025
- The Group maintained strong cost discipline, delivering adjusted EBITDA² ahead of market expectations⁴
- Continued innovation to expand the Group's addressable market, focusing on the Group's AI-based offering, EagleAI, validated by initial customer wins including Tesco, Morrisons and Carrefour via Média performances
- Significant sales pipeline across all geographies as retailers look to drive customer loyalty through personalised promotions, at scale

Continued growth and operational discipline delivers adjusted EBITDA above expectations

The continued expansion with existing customers and win momentum ahead of the Year-end means that Eagle Eye exited the Year with ARR¹ up 19% to £39.7m (FY 2023: £33.3m). 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 FY 2025 onwards. New contracts secured post-year end have increased ARR further as additional 'win' initiatives start to deliver results.

Group revenue increased 11% to £47.7m (FY 2023: £43.1m), with license and transaction revenues growing half-on-half and year-on-year.

EagleAI, the Company's AI-based personalised promotions offering, enjoyed a strong H2, winning a new contract with Tesco Stores Ltd to power Clubcard challenges and the swift expansion of the Morrisons contract, secured at the end of FY 2023, into Personalised Challenges, as well as further new customers, detailed below.

The Group has maintained strong cost discipline, delivering adjusted EBITDA² ahead of market expectations⁴, increasing by 28% to approximately £11.3m (FY 2023: £8.8m), with good growth in adjusted EBITDA² margin to 24% (FY 2023: 20%) demonstrating the operating leverage within the business and ongoing 'better, simpler, cheaper' initiatives.

The Group was cash generative in H2 and the Year overall, in line with the Board's expectations, and closed the Year with a net cash position³ of £10.4m (30 June 2023: £9.3m), providing Eagle Eye with the continued ability to invest to support future growth.

Contract momentum closing out the Year

The Company is pleased to announce today a number of new customer wins in the final month of the Year and at the start of FY 2025, including the Group's first customer in Vietnam, and retailers in new industries of Fuel and Convenience and eCommerce, demonstrating the wide applicability of Eagle Eye's offerings. The wins will commence revenue contribution through the course of FY 2025.

AIR/ Loyalty wins

- A three-year contract with Central Retail Vietnam ("CRV"), one of the largest multi-format retailers in Vietnam operating across more than 340 stores, to launch CRV's first digital loyalty programme utilising the Group's AIR platform. The programme is expected to be fully live by the end of 2024 calendar year.
- A three-year loyalty contract with Z Energy in New Zealand, a full-service fuel and convenience retailer operating across 289 outlets, with potential for expansion.
- Post Year end, a five-year contract with Waterstones Booksellers Limited in the UK to support their loyalty and gifting propositions and a three-year contract with RONA, one of Canada's leading home improvement retailers, to deliver personalised loyalty benefits to their Pro customers.

EagleAI /Personalised Challenges wins

- Two specialist French retailers Picard Surgeles and, Chronodrive, the Group's first eCommerce customer, entered two-year contracts for EagleAI - Personalised Challenges, to be deployed across their customer bases. This follows successful pilots, which demonstrated strong customer engagement and incremental sales, demonstrating strong ROI from the Personalised Challenges solution.

Focused on driving our win rate for future growth

The Group has a considerable pipeline of sales opportunities, including some of the world's largest retailers, and continues to develop initiatives to maintain and increase the pace at which opportunities convert to sales. Several further initiatives have been implemented in the Year, including:

- a reorganisation of the sales team to be more focused on customer wins;
- increased productisation of technology to facilitate a simplified sales discussion;
- a new focus on alliances, covering both partners and system integrators, to expand the Group's reach; and
- continued innovation, particularly within EagleAI, as Eagle Eye seeks to capitalise on the growing interest in AI-powered personalisation execution.

Outlook

Eagle Eye's market-leading reputation as the provider of personalised marketing at scale and the increasing opportunities available to it through its new AI-based offerings, provide it with a strong foundation for long-term growth. The Group has a significant sales pipeline, including some of the world's largest retailers, and has implemented new initiatives to drive its win rate. Meanwhile, the wins secured at the end of FY 2024 and into FY 2025 provide a strong basis for further growth through FY 2025 into FY 2026. With healthy levels of cash generation, a growing international customer base and new AI-based offerings, the Board looks to the future with confidence.

Notice of Results

The Group expects to announce its results for the year ended 30 June 2024 on 18 September 2024.

Tim Mason, Chief Executive of Eagle Eye said: *"The world of loyalty is evolving at pace. At the vanguard of this movement are the grocers, for whom loyalty increasingly means personalised promotions, due to their proven ability to delight customers and increase loyalty, profitably. Our ability to support personalised promotions at scale, and the increasing opportunities presented by our new AI-based offerings, mean we are the acknowledged leaders in this market. The strength of our customer base helps to drive interest from some of the world's largest retailers as we continue to capture what is a sizeable, long-term growth opportunity."*

Notes:

All financials are based on unaudited figures

1- Period end Annual Recurring Revenue ("ARR") is defined as Period exit rate for recurring subscription and transaction revenue (excluding SMS) plus any professional services contracted for more than 12 months hence and secured new wins, excluding any seasonal variations and lost contracts.

2- EBITDA has been adjusted for the exclusion of share-based payment charges along with depreciation, amortisation, interest and tax from the measure of profit. 2023 EBITDA figure has also been adjusted to exclude costs associated with the acquisition of Untie Nots.

3- Net cash is defined as cash and cash equivalents less financial liabilities.

4- Company compiled adjusted EBITDA range is based on known sell-side analyst estimates for the full year ended 30 June 2024 of £10.3m to £10.8m.

The person responsible for arranging the release of this announcement on behalf of Eagle Eye is Lucy Sharman-Munday, Chief Financial Officer.

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About Eagle Eye

Eagle Eye is a leading SaaS technology company enabling retail, travel and hospitality brands to earn the loyalty of their end customers by powering their real-time, omnichannel and personalised consumer marketing activities.

Eagle Eye AIR is a cloud-based platform, which provides the most flexible and scalable loyalty and promotions capability in the world. More than 850 million personalised offers are executed via the platform every week, and it currently hosts over 500 million loyalty member wallets for businesses all over the world. Eagle Eye is trusted to deliver a secure service at hundreds of thousands of physical POS destinations worldwide, enabling the real-time issuance and redemption of promotional coupons, loyalty offers, gift cards, subscription benefits and more.

The Eagle Eye AIR platform is currently powering loyalty and customer engagement solutions for enterprise businesses all over the world, including Asda, Tesco, Morrisons, Waitrose and John Lewis & Partners, JD Sports, Pret a Manger, Loblaws, Southeastern Grocers, Giant Eagle, and the Woolworths Group. In January 2024, Eagle Eye launched EagleAI, a next-generation data science solution for personalisation, already being used by leading retailers worldwide including Carrefour, Auchan and Pattison Food Group. Web - www.eagleeye.com

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