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Eagle Eye Solutions Group PLC
18 September 2024

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

Final results for the year ended 30 June 2024
Strong growth in ARR and EBITDA, exiting the year with increasing win momentum

Eagle Eye, (LSE: "EYE"), a leading SaaS technology company that creates digital connections enabling personalised, real-time marketing, is pleased to announce its audited results for the financial year ended 30 June 2024 (the "Year").

Financial Highlights

	FY24	FY23	% change
Group Revenue	£47.7m	£43.1m	+11%
Recurring revenue (subscription fees and transactions)	79%	80%	-1ppt
Period end Annual Recurring Revenue[1] (ARR)	£39.7m	£33.3m	+19%
Net Revenue Retention[2]	109%	137%	-28ppt
Adjusted EBITDA[3]	£11.3m	£8.8m	+28%
Adjusted EBITDA margin	24%	20%	+4ppt
Profit after tax	£5.7m	£1.2m	+383%
Closing net cash[4] position	£10.4m	£9.3m	+12%

[1] *Period End 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 retention rate 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.*

A year of profitable growth, with new customers secured across all key geographies as retailers increasingly look to drive customer loyalty through personalised engagement, at scale

- New customers secured in the UK, North America and Australasia and expansion with existing customers including Tesco, Morrisons and Asda in the UK, Hudson's Bay in North America and Woolworths in Australia and New Zealand.
- Exited the Year with strong ARR, up 19% year-on-year.
- Group revenue increased 11% to £47.7m, with license and transaction revenues growing half-on-half and year-on-year.
- Maintained strong cost discipline, delivering adjusted EBITDA ahead of original market expectations, increasing by 28% to approximately £11.3m.
- Net cash position at Year end of £10.4m, providing Eagle Eye with the continued ability to invest to support future growth to achieve the Group's ambitions.

Continued innovation of EagleAI to expand the Group's addressable market

- EagleAI (formerly Untie Nots) delivered new customer wins including Tesco, Morrisons, Picard Surgeles and Chronodrive, and expansion with existing customers Carrefour and E.Leclerc, providing significant contribution to the growth in ARR.
- Ongoing innovation will result in a growing number of EagleAI offerings, including 'Personalised Flyer', an AI powered personalised digital flyer to be launched in 2025, with E.Leclerc secured as the first customer post Year end.

Contract win momentum provides a positive outlook for FY25 and beyond

- A number of new customer wins secured in the final month of the Year and at the start of H1 2025, including the Group's first customer in Vietnam, RONA in Canada, Waterstones Booksellers Limited in the UK and retailers in new industries of Fuel and Convenience and eCommerce in New Zealand and France respectively.
- These wins will commence revenue contribution through the course of FY25, providing a strong foundation for FY25 onwards.
- With a significant and growing sales pipeline across all geographies, and initiatives introduced to further enhance the win rate, the Board is confident in the continued growth and strong performance of the Group.

Tim Mason, Chief Executive of Eagle Eye, said:

"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, which has doubled over the course of the year, includes some of the largest retailers in the world. The new initiatives to enhance win conversion rates have already started to bear fruit and position us well for continued success. The wins secured at the end of the Year and into FY25 provide a strong basis for on-going growth. With robust cash generation and a growing customer base globally, we are confident about the future."

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Tim Mason, Chief Executive 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.

Chair Statement

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.

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

CEO Statement - Strategy & Operational Review

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 weanticipate 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 a £100m revenue and 25% adjusted EBITDA margin businessand 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. 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.

Operational Review

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 (FY23: 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.

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.

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 10 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.

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.

5. M&A

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

Financial review

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%	(28)ppt

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**	
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 Unite Nots SAS, 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 5.

[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 have been 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.

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 include 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 costs of sales as defined above, this measure also includes the costs 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).

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 the 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 increase 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 underlying 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 Untie Nots, contingent consideration released and a lower bonus accrual, reflecting lower revenue growth in the Year compared to previous periods.

Cashflow 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 of R&D tax credits in France has been delayed by 6 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 (FY23: £4.0m undrawn), less £0.2m debt of EagleAI, gives the Group £15.4m of headroom, which, with the 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 its 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).

Consolidated statement of profit or loss and total comprehensive income

for the year ended 30 June 2024

	Note	**2024**	2023
		£000	£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		**1,303**	-
Share-based payment charge		**(2,835)**	(2,426)
Depreciation and amortisation		**(8,897)**	(5,685)
Operating profit/(loss)		**831**	(620)
Finance income		**41**	30
Finance expense		**(153)**	(170)
Profit/(loss) before taxation		**719**	(760)
Taxation		**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

(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 Untie Nots SAS in 2023 and subsequent changes in fair value of contingent consideration due on that acquisition.

	Note	2024	2023
Earnings per share			
From continuing operations			
Basic	4	**19.47p**	4.25p
Diluted	4	**17.36p**	3.79p

Consolidated statement of financial position

as at 30 June 2024

	2024	2023
	£000	£000
Non-current assets		
Intangible assets	**17,804**	19,458
Contract fulfilment costs	**2,610**	2,562
Property, plant and equipment	**1,175**	1,444
Deferred taxation	**8,455**	1,626
	30,044	25,090
Current assets		
Trade and other receivables	**10,349**	11,085
Current tax receivable	**183**	762
Cash and cash equivalents	**10,576**	10,615
	21,108	22,462
Total assets	**51,152**	47,552

Total assets	51,152	47,552
Current liabilities		
Trade and other payables	**(10,583)**	(14,252)
Current tax payable	**-**	(74)
IFRS 15 deferred income	**(3,002)**	(3,086)
Financial liabilities	**(122)**	(1,102)
	(13,707)	(18,514)
Non-current liabilities		
Other payables	**(412)**	(2,131)
IFRS 15 deferred income	**(2,927)**	(2,670)
Financial liabilities	**(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	**296**	293
Share premium	**30,089**	29,925
Merger reserve	**3,278**	3,278
Share option reserve	**9,084**	7,291
Retained losses	**(8,691)**	(16,747)
Total equity	**34,056**	24,040

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**
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 Untie Nots	**(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 Untie Nots, net of cash and cash equivalents acquired	**(654)**	(6,347)
Net cash flows used in investing activities	**(7,711)**	(11,962)
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

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation

The financial information set out herein does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the Year ended 30 June 2024 has been extracted from the Group's audited financial statements which were approved by the Board of Directors on 17 September 2024 and which, if adopted by the members at the Annual General Meeting, will be delivered to the Registrar of Companies for England and Wales.

The financial information for the Year ended 30 June 2023 has been extracted from the Group's audited financial statements which were approved by the Board of Directors on 18 September 2023 and which have been delivered to the Registrar of Companies for England and Wales.

The reports of the auditor on both these financial statements were unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

The information included in this preliminary announcement has been prepared on a going concern basis under the historical cost convention, and in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board ("IASB") that are effective as at the date of these financial statements.

The Company is a public limited Company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

2 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, 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.

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

4 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:

	Earnings per share pence	**Profit £000**	**2024 Weighted average number of ordinary shares**	Earnings per share pence	Profit £000	2023 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

5 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

6 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**

7 Business combinations

As disclosed in the annual report for the year ended 30 June 2023, on 3 January 2023, Eagle Eye Group plc completed the acquisition of 100% of the issued share capital of Untie Nots SAS. The provisional fair value of the net assets acquired was determined to be £12.3 million and no adjustment is to be made following the completion of the twelve month hindsight period.

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.

8 Report and accounts

A copy of the Annual Report and Accounts for the Year ended 30 June 2024 will be sent to all shareholders in due course, together with notice of the Annual General Meeting, and will be available to view and download from the Company's website at www.eagleeye.com.