

System1 Group

9 July 2025

System1 Group PLC (AIM: SYS1) ("System1", or "the Company", or "the Group")

First Quarter Trading Update

Alongside today's FY25 Final Results announcement, System1, the marketing decision-making platform www.system1group.com issues an update on trading for the first quarter of the financial year ending 31 March 2026 (Q1 FY26).

Revenue £ million - unaudited	Q1 FY26	Q1 FY25	Q1 % YoY
Predict Your (data)	6.8	6.8	0%
Improve Your (data-led consultancy)	1.5	1.8	-13%
Platform Revenue	8.3	8.6	-3%
Other consultancy (non-platform)	0.5	0.9	-47%
Total Revenue	8.8	9.5	-7%

Total Q1 FY26 Revenue of £8.8m was 7% below the equivalent quarter last year, with Platform Revenue down 3% to £8.3m and non-platform consultancy falling as expected by 47% to £0.5m. The overall revenue performance, similar to Q4 FY25, reflects the caution we have seen from certain clients, particularly in Europe with automotive and premium drinks brands, following the announcement of the US trade tariffs. It should also be noted that currency movements impacted the Q1-on-Q1 revenue comparisons by approximately 4% with the change in USD being of particular note.

We believe these tariff effects to be temporary and can also point to several positive results from Q1 FY26.

Total Innovation revenue increased by 19% v Q1 FY25 reflecting System1's increased investment and focus on this market and providing an encouraging signpost for future growth in this significant product space. We expect Innovation revenue to grow increasingly as we progress through FY26.

Platform Revenue comprised 95% of Total Revenue in Q1 FY26 (Q1 FY25: 90%).

New business performance was strong, despite the wider economic conditions, with over 80 new client wins in Q1 driving over £1m of revenue. These wins added to our significant base of clients who use the Platform and provide a material growth opportunity as revenue builds from this expanded client base. New wins included a global mass media and entertainment business, one of the world's two largest ice cream companies, and a global top 3 video gaming brand.

US revenue performance was particularly strong, pushing US Platform revenue to a record quarterly figure, 16% higher than Q1 FY25 in GBP despite a 7% weaker US dollar compared to Q1 FY25.

System1 published [groundbreaking thought leadership](#) in partnership with TikTok and Effies, launched to great effect at Cannes Lions Advertising Festival in June. At the same time the business launched a new

Test Your Ad Social product, targeting digital advertising, the fastest growing ad spend area.

We achieved an 86% gross profit margin in Q1 FY26, ahead of our 85% benchmark and 1% below Q1 FY25.

Net cash at the end of Q1 was a healthy £11.7m (Q1FY25: £8.1m). This is after planned tax and bonus payments.

Outlook for FY 26

Based on strength in our US and UK businesses together with a slower recovery in Europe the Board expects the following for FY 26

- Overall revenue to grow at approximately 15% year on year
- H2 revenue expected to be seasonally stronger than H1, in line with historic trends
- Profits expected to be in line with Board expectations based on prudent cost controls and continued investments as previously noted in US growth, innovation and go to market

Commenting on the results and outlook, CEO James Gregory said:

"We are confident that the business remains on track to achieve its medium-term objectives. I am greatly encouraged by the progress already made this year in our key target areas, specifically the US market and the Innovation product space. New business growth remains strong, however existing client spending has tightened in the past few months in response to US tariffs, as we said it might in April, and exchange rates have worked against us by reducing the Sterling value of our top line. We believe these are relatively short-term effects and remain focused on winning for our clients and shareholders over the medium and long term. In the near term we are focused on continuing to deliver strong growth in FY26."

Further information on the Company can be found at www.system1group.com.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

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