

PRESS RELEASE

2 December 2025

System1 Group PLC (AIM: SYS1)

("System1" or "the Group" or "the Company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

System1 Group www.system1group.com announces its unaudited interim results for the six months ended 30 September 2025 ("H1", "H1 FY26").

Statutory Basis	H1 FY26 £m	H1 FY25 £m	Change* %
Platform	16.2	16.7	-3%
Non-Platform	0.9	1.6	-46%
Total Revenue	17.1	18.3	-7%
Gross Profit	14.9	16.0	-7%
Operating Costs	(14.6)	(13.7)	7%
Other Operating Income	-	0.3	-100%
Profit before Taxation	0.3	2.6	-90%
Income Tax Expense	(0.2)	(0.8)	-83%
Profit for the Period	0.1	1.7	-94%
Diluted Earnings per Share	0.9p	13.8p	-93%

* Percentages and totals are based on numbers rounded to £'000s

H1 Highlights

- As previously announced on 23 September and further explained at the 22 October Capital Markets Day, the Company experienced lower, but ongoing, spend from many of its largest clients during H1, due to the wider macroeconomic uncertainty.
- Continued revenue growth in the USA (+3%), and APAC (+11%). UK -9%, LatAm -5%. Year-on-year FX impacts in all non-UK regions reduced reported revenue growth by ca 2% overall.
- Platform revenue declined 3% on H1 FY25 to £16.2m and represented 95% of total revenue (H1 FY25: 91%). Total revenue decreased by 7%.
- New client revenue £3.4m in H1 (H1 FY25: £3.2m).
- Innovation Revenue +26% on H1 FY25, Adtesting down by 10%.
- Gross profit margin in line with H1 FY25 at 87.0% (H1 FY25: 87.3%).
- Operating expenditure increased by 7% to £14.6m (H1 FY25: £13.7m), due mainly to investment in future growth, with lower variable pay mitigating the year-on-year increase.
- Non-repetition of £0.3m H1 FY25 Other Operating Income relating to sublease income on a former property lease and a trademark co-existence agreement.
- Share based payments charge of £0.1m (H1 FY25: credit of £0.1m). Adjusted Profit before Taxation¹ £0.3m (H1 FY25: £2.4m).
- Cash balance of £10.8m as at 30 September 2025 (31 March 2025: £12.9m; 30 September 2024: £8.9m).

- £2.1m free cash outflow in H1 (H1 FY25: outflow of £0.3m) due mainly to the payment of bonuses earned in the previous financial year.

System1 CEO James Gregory commented:

"We have made good progress in the focus areas of Innovation, the USA and winning with the world's largest brands - and this in the face of reduced market research spend by a number of our large clients.

With further new client wins, and bookings in October and November that have been stronger than we saw in H1, the Company continues to trade in line with the guidance² we gave in the 23 September 2025 trading update."

¹ Adjusted Profit is Profit before Taxation excluding share-based payments

² For the purpose of this announcement, the guidance provided in the 23 September 2025 announcement was for FY26 Revenue to be broadly in line with the £37m achieved in FY25, and Adjusted Profit before Taxation¹ in a range between £2.0 to £2.5 million.

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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INTERIM STATEMENT

Financial Performance

KPIs	H1 FY26	H1 FY25
Platform Revenue as a % of Total Revenue	95	91
Platform Revenue growth %	(3)	53
Gross Profit % Revenue	87.0	87.3
Adjusted EBITDA £m* ¹	1.0	3.0
Adjusted EBITDA % Revenue	6	16
"Rule of 40" ²	3	69
Free cash flow ³	(2.1)	(0.3)
Net cash £m	10.8	8.9

¹ Statutory profit before taxation + share-based payments + interest, depreciation and amortisation

² Platform Revenue growth % + Adjusted Group EBITDA % Group Revenue

³ Cash flow after interest and payments for operating leases treated as finance leases under IFRS 16, and before debt raising/reduction, buybacks/dividends.

Revenues

Sep-25

Sep-24

Revenue

Revenue

	£'000	£'000
By location of customer		
USA	6,555	6,353
LatAm	1,110	1,171
United Kingdom	7,049	7,767
Rest of Europe	1,349	2,097
APAC	1,053	945
	17,116	18,333
By product variant		
Data ("Predict Your")	13,429	13,365
Data-led consultancy ("Improve Your")	2,801	3,334
Platform revenue	16,230	16,699
Other consultancy (non-platform)	886	1,634
	17,116	18,333
By product group		
Communications (Ad Testing)	14,317	15,874
Brand (Brand Tracking)	1,152	1,148
Innovation	1,647	1,311
	17,116	18,333

Total revenue decreased by 7% on H1 FY25 to £17.1m and Platform revenue declined 3% to £16.2m, representing 95% of total revenue (H1 FY25: 91%). Within Platform revenue Data was flat year on year at £13.4m and Data-led consultancy decreased by 16% from £3.3m to £2.8m. In the US total revenue increased by 3% to £6.6m and US platform revenue by 11% to £6.0m. APAC continued to grow strongly, up 11% on the comparable prior-year period. Continental Europe was 36% lower year on year despite improving quarter on quarter, with LatAm and the UK down on H1 FY25 by 5% and 9% respectively. The reported reduction in LatAm revenue was entirely due to currency movements; the UK outturn reflected lower but ongoing spend by existing clients due to the wider macroeconomic uncertainty. The rest of Europe, particularly for automotive and luxury goods clients, was severely affected by global tariff uncertainty in the first quarter, but trading in that region has improved steadily since then.

Ad testing (Comms) revenue decreased by 10% to £14.3m. Brand was flat on H1 FY25 at £1.2m, with Innovation growing by 26% over the same period to £1.6m following significant and accelerated investment as we continue to develop and enhance the offering.

Our fame-building, products and partnerships helped the Company to win 160 new platform clients in H1 (H1 FY25: 161). Noteworthy initiatives in H1 included:

- [The Long & the Short \(Form\) of it](#) System1 and TikTok partnered to explore what makes TikTok ads effective. Using our Test Your Ad platform, the research reveals how sentiment, attention, and creative features impact performance, offering insights on sustaining attention, entertaining users, and integrating branding effectively. At the same time the business launched a new Test Your Ad Social product, targeting digital advertising, the fastest growing ad spend area.
- [The Creative Dividend](#) For the first time, System1 has combined the Effie Case Library with our emotion-first creative measurement database, Test Your Ad, to build the largest global creative effectiveness databank. The research introduces the Creativity Stack: five evidence-based creative principles that allow any brand to create lasting effects with brilliant advertising.
- [Double Take](#) in partnership with JCDecaux draws on System1's predictive testing of 1000+ OOH campaigns with 180,000 consumers across 7 markets using its [Test Your Ad](#) platform. For the first time, a subset of these results have been linked to JCDecaux's campaign performance data to reveal how emotion and branding drive brand and commercial effects in one of the world's most powerful media channels

New business wins in the US delivered £1.1m of platform revenue in H1 and included:

- the largest supermarket operator in the US;
- a multi-billion-dollar US beverage business; and
- a global top 3 video gaming brand.

In the UK and Europe new business flow was also strong with ca 100 new clients onboarded in H1 delivering £1.8m of

in the UK and Europe new business flow was also strong with ca. 100 new clients onboarded in H1 delivering £1.0m of platform revenue, including:

- a global banking and wealth management company;
- a global entertainment and media business; and
- the UK's largest wealth manager

Gross profit margin decreased slightly from 87.3% in H1 FY25 to 87.0%, and remained comfortably above our 85% benchmark.

Operating Costs increased by 7% versus H1 last year due mainly to investment in growth over the past 18 months, with lower variable pay mitigating the year-on-year increase.

Overall average headcount increased by 20% to 191 FTE owing to new hires principally in the Sales and Operations teams to deliver and support business growth with existing and new clients

Other Operating Income

The lack of other operating income in H1 reflects the non-repetition of £0.3m in H1 FY25 relating to sublease income on a former property lease and a trademark co-existence agreement.

Tax

The Group has recognised a tax charge of £0.1m in the six months to 30 September 2025 (H1 FY25: tax charge of £0.8m). The increase in the effective tax rate from 31% in H1 FY25 to 54% in H1 FY26 is attributable to the uneven distribution of profits in H1.

Earnings Per Share

Diluted and Basic Earnings per Share declined to 0.9p from an H1 FY25 Diluted and Basic earnings per share of 13.8p and 13.9p respectively, in line with the decrease in post-tax profits in H1 FY26.

Cash

The Group ended the period with cash of £10.8m (H1 FY25 £8.9m, FY25: £12.9m). Free cash flow after property lease costs and interest income amounted to an outflow of £2.1m in the first half, reflecting the payment of £2.2m in bonuses and commissions relating to FY25. (H1 FY25: free cash outflow of £0.3m).

Dividend

The final dividend for FY25 (£1.4m) was paid on 17 October. As previously announced, the Board's policy is to declare a final dividend only and there is therefore no proposed interim payment.

Balance Sheet

Total equity increased to £14.4m (31 March 2025: £14.1m), arising from the year-to-date post-tax profit of £0.1m and a £0.1m gain on foreign currency reserves arising from the revaluation of net assets held in overseas subsidiaries at 30 September 2025. Intangible assets have decreased by £0.1m as a result of amortisation charges of £0.4m on completed projects, offsetting the capitalisation of £0.3m associated with further development of the platform. Property, plant and equipment has increased by £0.7m, along with an increase in lease liabilities of £0.6m, as a result of the inception of new office leases in the UK and the US.

Current trading and outlook

With further new client wins, and bookings in October and November that have been stronger than we saw in H1, the Company continues to trade in line with the guidance² we gave in the 23 September 2025 update.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the 6 months ended 30 September 2025

	Note	Sep-25 £'000	Sep-24 £'000
Revenue	3	17,116	18,333
Cost of sales		(2,227)	(2,319)
Gross profit		14,889	16,014
Administrative expenses		(14,646)	(13,751)
Other operating income		-	264
Operating profit		243	2,527
Finance income		23	41
Finance expense		(12)	(14)
Profit before taxation		254	2,554
Income tax expense		(138)	(796)
Profit for the period		116	1,758
Attributable to the equity holders of the Company		116	1,758
Earnings per share attributable to equity holders of the Company			
Basic earnings per share	4	0.9p	13.9p
Diluted earnings per share	4	0.9p	13.8p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 6 months ended 30 September 2025

	Sep-25 £'000	Sep-24 £'000
Profit for the period	116	1,758
Other comprehensive income:		
Items that may be subsequently reclassified to profit		
Currency translation differences on translating foreign operations	109	(190)
Other comprehensive income for the period, net of tax	109	(190)
Total comprehensive income for the period attributable to equity holders of the Company	225	1,568

CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2025

Registered no. 05940040

Note	Sep-25 £'000	Mar-25 £'000
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		£'000	£'000
ASSETS			
Non-current assets			
Property, plant, and equipment	7	1,309	638
Intangible assets	8	1,111	1,254
Deferred tax asset		148	194
		2,568	2,086
Current assets			
Contract assets		216	205
Trade and other receivables		6,905	6,822
Cash and cash equivalents		10,752	12,871
		17,873	19,898
Total assets		20,441	21,984
EQUITY			
Attributable to equity holders of the Company			
Share capital	10	132	132
Share premium account		1,601	1,601
Merger reserve		477	477
Foreign currency translation reserve		205	96
Retained earnings		11,946	11,797
Total equity		14,361	14,103
LIABILITIES			
Non-current liabilities			
Lease liabilities	9	626	-
		626	-
Current liabilities			
Provisions		7	-
Lease liabilities	9	508	526
Contract liabilities		951	758
Income taxes payable		352	643
Trade and other payables		3,636	5,954
		5,454	7,881
Total liabilities		6,080	7,881
Total equity and liabilities		20,441	21,984

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6 months ended 30 September 2025

	Note	Sep-25 £'000	Sep-24 £'000
Net cash generated from operations			
Tax paid	11	(1,082)	815
Net cash generated from operating activities		(403)	(434)
		(1,485)	381
Cash flows from investing activities			
Purchases of property, plant, and equipment	7	(91)	(53)
Purchase of intangible assets	8	(255)	(261)
Net cash used by investing activities		(346)	(314)
Net cash flow before financing activities		(1,831)	67
Cash flows from financing activities			
Interest received		23	41
Interest paid		(12)	(14)
Property lease liability payments		(296)	(430)
Net cash used by financing activities		(285)	(403)
Net (decrease)/increase in cash and cash equivalents		(2,116)	(336)
Cash and cash equivalents at beginning of period		12,871	9,610
Exchange gain on cash and cash equivalents		(3)	(422)
Cash and cash equivalents at end of period		10,752	8,852

	Sep-25 £'000	Sep-24 £'000
Net cash flow before financing activities	(1,831)	66
Net cash flow for property leases	(308)	(444)
Free cashflow	(2,139)	(378)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

for the 6 months ended 30 September 2025

Consolidated Movements in Net Cash/(Debt)

	Cash and cash equivalents £'000	Lease liabilities £'000	Total £'000
At 1 April 2024	9,610	(346)	9,264
Cash flows	(336)	444	108
Non-cash charges			
Interest on lease liabilities	-	(14)	(14)
New lease liabilities	-	(758)	(758)
Disposal of lease liabilities	-	42	42
Exchange and other non-cash movements	(422)	-	(422)
At 30 September 2024	8,852	(632)	8,220

Consolidated Movements in Net Cash/(Debt)

	Cash and cash equivalents £'000	Lease liabilities £'000	Total £'000
At 1 April 2025	12,871	(526)	12,345
Cash flows	(2,116)	308	(1,808)
Non-cash charges			
Interest on lease liabilities	-	(12)	(12)
New lease liabilities	-	(1,102)	(1,102)
Disposal of lease liabilities	-	198	198
Exchange and other non-cash movements	(3)	-	(3)
At 30 September 2025	10,752	(1,134)	9,618

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 6 months ended 30 September 2025

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2024	132	1,601	477	351	8,007	10,568
Profit for the period	-	-	-	-	1,758	1,758
Other comprehensive income:						
- currency translation differences	-	-	-	(190)	-	(190)
Total comprehensive income	-	-	-	(190)	1,758	1,568
Transactions with owners:						
Employee share options:						
- value of employee services	-	-	-	-	(105)	(105)
- deferred tax credited to equity	-	-	-	-	32	32

At 30 September 2024	132	1,601	477	161	9,692	12,063
At 1 April 2024	132	1,601	477	351	8,007	10,568
Profit for the period	-	-	-	-	4,473	4,473
Other comprehensive income:						
- currency translation differences	-	-	-	(255)	-	(255)
Total comprehensive income	-	-	-	(255)	4,473	4,218
Transactions with owners:						
Employee share options:						
- value of employee services	-	-	-	-	(64)	(64)
- deferred tax credited to equity	-	-	-	-	15	15
Dividends paid					(634)	(634)
At 31 March 2025	132	1,601	477	96	11,797	14,103
At 1 April 2025	132	1,601	477	96	11,797	14,103
Profit for the period	-	-	-	-	116	116
Other comprehensive income:						
- currency translation differences	-	-	-	109	-	109
Total comprehensive income	-	-	-	109	116	225
Transactions with owners:						
Employee share options:						
- value of employee services	-	-	-	-	49	49
- deferred tax credited to equity	-	-	-	-	(16)	(16)
At 30 September 2025	132	1,601	477	205	11,946	14,361

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

System1 Group PLC (the "Company") was incorporated on 19 September 2006 in the United Kingdom. The Company's principal operating subsidiary, System1 Research Limited, was at that time already established, having been incorporated on 29 December 1999. The address of the Company's registered office is 4 More London Riverside, London, UK SE1 2AU. The Company's shares are listed on the AIM Market of the London Stock Exchange ("AIM").

The Company and its subsidiaries (together the "Group") provide predictive marketing data and market research consultancy.

The Board of Directors approved these interim financial statements for the six months ended 30 September 2025 for issuance on 2 December 2025.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and is unaudited. The Group's latest statutory financial statements were for the year ended 31 March 2025 and these have been approved by the Board of Directors and filed with the Registrar of Companies. These accounts, which contained an unqualified audit report under Section 495, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

1. Basis of Preparation

This condensed consolidated interim financial information has been prepared in accordance with UK adopted IAS 34 *Interim Financial Reporting* and on the going concern basis. The Board reviews the performance of the Group monthly, and senior management has a weekly assessment of sales revenue. The Group also prepares and reviews cash flow forecasts and is confident that the going concern assessment remains appropriate. The results presented in this report are unaudited and they have been prepared in accordance with the recognition and measurement principles of UK-adopted International Accounting Standards that are expected to be applicable to the financial statements for the year ending 31 March 2026 and on the basis of the accounting policies to be used in those financial statements. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the

Group's annual financial statements, being the statutory financial statements for System1 Group plc, as at 31 March 2025, which have been prepared in accordance with UK adopted International Accounting Standards with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The preparation of financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IFRS") requires the use of certain critical accounting estimates.

2. Principal accounting policies

The principal accounting policies adopted are consistent with those of the financial statements for the year ended 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

3. Segment Information

The financial performance of the Group's geographic operating units ("Reportable Segments") is set out below*.

	Sep-25	Sep-24
	Revenue £'000	Revenue £'000
By location of customer		
USA	6,555	6,353
LatAm	1,110	1,171
United Kingdom	7,049	7,767
Rest of Europe	1,349	2,097
APAC	1,053	945
	17,116	18,333

*Segmental revenue is revenue generated from external customers and so excludes intercompany revenue and is attributable to geographical areas based upon the location in which the service is delivered.

Consolidated balance sheet information is regularly provided to the Executive Directors while segment balance sheet information is not. Accordingly, the Company does not disclose segment balance sheet information here.

	Sep-25	Sep-24
	Revenue £'000	Revenue £'000
By product variant		
Data ("Predict Your")	13,429	13,365
Data-led consultancy ("Improve Your")	2,801	3,334
Platform revenue	16,230	16,699
Other consultancy (non-platform)	886	1,634
	17,116	18,333
By product group		
Communications (Ad Testing)	14,317	15,874
Brand (Brand Tracking)	1,152	1,148
Innovation	1,647	1,311
	17,116	18,333

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

4. Earnings Per Share

	Sep-25	Sep-24
Profit attributable to equity holders of the Company in £'000	446	1,759

Profit attributable to equity holders of the Company, in £'000	110	1,700
Weighted average number of Ordinary Shares in issue	12,689,073	12,685,858
Basic earnings per share	0.9p	13.9p
Profit attributable to equity holders of the Company, in £'000	116	1,758
Weighted average number of Ordinary Shares in issue	12,689,073	12,685,858
Share options	30,103	30,103
Weighted average number of Ordinary Shares for diluted earnings per share	12,719,176	12,715,961
Diluted earnings per share	0.9p	13.8p

5. Headcount

The average number of staff employed by the Group during the period was as follows:

	Sep-25 No.	Sep-24 No.
Sales and marketing	74	54
Operations	58	50
IT	33	30
Administration	26	26
	191	160

6. Dividends

The Company did not pay dividends in the six months ended 30 September 2025 and 30 September 2025. The Company does not propose the payment of an interim dividend. On 17 October 2025 the Company paid a final ordinary and special dividend of £1,395,798 (5.5p per share and 5.5p per share respectively) in respect of the year ended 31 March 2025, including £333,513 paid to the Company's Directors in relation to their shareholdings.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

7. Property, Plant, and Equipment

	Right-of-use assets £'000	Furniture and fixtures £'000	Computer hardware £'000	Total £'000
Cost at 1 April 2024	172	-	303	475
Additions	955	-	127	1,082
Disposals	(102)	-	-	(102)
Foreign exchange	(27)	-	(1)	(28)
Cost at 31 March 2025	<u>998</u>	<u>-</u>	<u>429</u>	<u>1,427</u>
Depreciation at 1 April 2024	24	-	226	250
Depreciation charge for the year	500	-	84	584
Disposals	(51)	-	-	(51)
Foreign exchange	9	-	(3)	6
Depreciation at 31 March 2025	<u>482</u>	<u>-</u>	<u>307</u>	<u>789</u>
Carrying amount 31 March 2025	<u>516</u>	<u>-</u>	<u>122</u>	<u>638</u>
Cost at 1 April 2025	998	-	429	1,427
Additions	1,102	3	88	1,193
Disposals	(710)	-	-	(710)
Foreign exchange	2	-	2	4
Cost at 30 September 2025	<u>1,392</u>	<u>3</u>	<u>519</u>	<u>1,914</u>
Depreciation at 1 April 2025	482	-	307	789
Depreciation charge for the period	304	-	25	329
Disposals	(513)	-	-	(513)
Foreign exchange	(2)	-	2	-
Depreciation at 30 September 2025	<u>271</u>	<u>-</u>	<u>334</u>	<u>605</u>
Carrying amount 30 September 2025	<u>1,121</u>	<u>3</u>	<u>185</u>	<u>1,309</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

8. Intangible assets

	Development costs £'000	Software £'000	Total £'000
Cost at 1 April 2024	1,961	525	2,486
Additions	468	-	468
Cost at 31 March 2025	2,429	525	2,954
Amortisation at 1 April 2024	524	384	908
Amortisation for the year	653	139	792
Amortisation at 31 March 2025	1,177	523	1,700
Carrying value at 31 March 2025	1,252	2	1,254
Cost at 1 April 2025	2,429	525	2,954
Additions	255	-	255
Cost at 30 September 2025	2,684	525	3,209
Amortisation at 1 April 2025	1,177	523	1,700
Amortisation for the period	398	-	398
Amortisation at 30 September 2025	1,575	523	2,098
Carrying value at 30 September 2025	1,109	2	1,111

The only software asset as at 31 March and 30 September 2025 is the Group's finance and operations system that was brought into use October 2020.

Development costs relate to costs capitalised for the development of the following:

"Test Your" platform, which underpins the delivery of our data and data led consultancy product suite and was completed during the year ended 31 March 2023. The carrying value at 30 September 2025 was £56k (31 March 2025: £205k)

Supply Chain Automation platform which enables System1 to interface (via API) with multiple suppliers of panel respondents and was substantially completed at 31 March 2024. The carrying value at 30 September 2025 was £528k (31 March 2025: £724k)

Modular Surveys, which facilitates the automation of custom products and was completed in two phases in the year ended 31 March 2025. The carrying value at 30 September 2025 was £144k (31 March 2025: £178k)

Boost, which optimises our methodology for sourcing sample respondents, which was substantially completed in August 2025. The carrying value at 30 September 2025 was £284k (31 March 2025: £145k)

Tag and Search, a data optimisation tool completed in July 2025. The carrying value at 30 September 2025 was £99k (31 March 2025: £nil).

Development costs in respect of completed projects are tested for impairment where impairment indicators exist. No indicators exist at 30 September 2025 (31 March 2025: none). Development costs in respect of ongoing projects are tested for impairment at each reporting date. The carrying value of the assets in each case are assigned to their respective cash generating units for the purposes of assessing future cashflows. The principal assumptions used in the forecasts were the timing and amount of future revenues and cost savings, which were derived from the latest forecasts approved by the Board. Following the assessment, the Board have determined that no impairment of assets is required as at 30 September 2025 (31 March 2025: £nil). The headroom in the impairment review exceeds the carrying value of the asset.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

9. Borrowings

The analysis of the maturity of lease liabilities is as follows:

	Sep-25 £'000	Mar-25 £'000
Within one year	547	535
Later than 1 but no later than 5 years	648	-
More than 5 years	-	-
Minimum lease payments	1,195	535
Future finance charges	(61)	(9)
Recognised as a liability	1,134	526

The present value of finance lease liabilities is as follows:

	Sep-25 £'000	Mar-25 £'000
Within one year	508	526
Later than 1 but no later than 5 years	626	-
More than 5 years	-	-
	1,134	526

On 22 February 2023, the Company entered into an Overdraft Facility with HSBC. The facility of up to a maximum of £1,500,000, is secured over the Company's trade receivables, and incurs interest at 3% above the Bank of England base rate on drawn balances. The facility has no fixed end date and can be cancelled by either party at any time. During the period ended 30 September 2025, the Company has not drawn any amounts under the facility, and no amounts have been drawn to the date of the signing of these financial statements (amounts drawn in the year ended 31 March 2025: £nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

10. Share Capital

The share capital of System1 Group PLC consists of fully paid Ordinary Shares ("Shares") with a par value of one penny each. All Shares, excluding Treasury Shares, are equally eligible to receive dividends and the repayment of capital and represent one vote at the Annual General Meeting.

	Sep-25		Mar-25	
	No.	£'000	No.	£'000
Allotted, called up, and fully paid ordinary shares At 1 April and at 30 September	13,226,773	132	13,226,773	132

	Sep-25		Mar-25	
	Treasury shares No.	Weighted average exercise price per share Pence	Treasury shares No.	Weighted average exercise price per share Pence
Shares held by Treasury				
At 1 April	537,700		537,700	
Transfer of shares to satisfy options exercise	-	-	-	-
At 30 September	537,700		537,700	

11. Net Cash Generated from Operations

Sep-25 £'000	Sep-24 £'000
-----------------	-----------------

Profit before taxation	253	2,554
Depreciation of property, plant, and equipment	329	264
Amortisation and impairment of intangible assets	398	329
Profit on disposal of property, plant and equipment	-	(2)
Interest received	(11)	(27)
Share-based payment expense/(credit)	49	(105)
Increase in contract assets	(11)	(24)
Decrease in finance lease receivables	-	85
Increase in trade and other receivables	(83)	(167)
Decrease in trade and other payables	(2,318)	(2,182)
Increase/(decrease) in contract liabilities	192	(158)
Increase/(decrease) in provisions	7	(6)
Exchange differences on operating items	113	254
Net cash (used in)/generated from operations	(1,082)	815

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6 months ended 30 September 2025

12. Expenses by Nature

	Sep-25	Sep-24
	£'000	£'000
Employee benefit expense	9,151	7,139
Employee benefit expense - variable pay	302	1,891
Other research and development costs	1,076	538
Capitalised development costs - gross of amortisation	(255)	(261)
Depreciation, amortisation, and impairment	729	593
Lease expense related to short term leases	20	63
Net foreign exchange losses	90	429
Third party direct costs (sample, translation, data processing)	2,227	2,319
Indirect delivery costs	448	465
Other expenses	3,085	2,894
	16,873	16,070

13. Reconciliation between Profit Before tax and Adjusted EBITDA:

	Sep-25	Sep-24
	£'000	£'000
Profit Before Tax	253	2,554
Add:		
Share-based payment expense/(credit)*	51	(131)
Adjusted Profit Before Tax	304	2,423
Finance income	(23)	(41)
Finance expense	12	14
Depreciation	329	264
Amortisation	398	329
Adjusted EBITDA	1,020	2,989

*Share-based payment expenses include the associated cost of the provision for employer's social security.

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