Powering the personalised marketing revolution.

Annual Report & Accounts **2023**

eagle eye

An outstanding year of growth

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

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FINANCIAL HIGHLIGHTS

Eagle Eye's outstanding performance in FY23

demonstrates we have the right strategy, offering and team in place to support our continued strong growth as an increasingly international business.

Group Revenue

£43.1m

FY 2022: £31.7m

+36% (29% organic)

Recurring revenue (subscription fees and transactions)

80%

FY 2022: 76%

+4ppts

Annual Recurring Revenue[1] (ARR)

£33.3m

FY 2022: £23.9m

+40%

Net Revenue Retention[2]

137%

FY 2022: 137%[5]

Adjusted EBITDA[3]

£8.8m

FY 2022: £6.5m

+36%

EBITDA margin

20%

FY 2022: 20%

Profit after tax

£1.2m

FY 2022: £0.6m

+114%

Closing net cash[4] position

£9.3m

FY 2022: £3.6m

+156%

Read our Financial Review on page 28

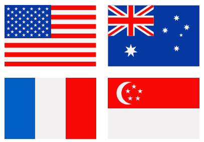
1 Period End Annual Recurring Revenue is defined as period exit rate for recurring AIR subscription and transaction revenue plus any professional services contracted for more than 12 months hence and secured new wins, excluding any seasonal variations and lost contracts.
2 Net retention rate is defined as the improvement in recurring AIR 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. 2023 EBITDA figure has also been adjusted to exclude costs associated with the acquisition of Untie Nots.
4 Net cash is defined as cash and cash equivalents less financial liabilities.
5 Excluding Covid-19 recovery impact.

OPERATIONAL HIGHLIGHTS

An exceptional year:

Delivering on our opportunity

Significant international revenue expansion



Driven by North America and APAC expansion, including first Singapore customer

Successful acquisition

Accelerated entry into France and enhanced Group's AI capabilities

Continued investment in innovation

Increasing our competitive strength and expanding our opportunity

Positive outlook for FY24 and beyond

Significant long-term growth potential

Read our Chief Executive Officer's Statement on page 12

AT A GLANCE

We are problem solvers

It's in our DNA

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

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

Our digital customer engagement platform, AIR

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

AIR

Enterprise ready

Security	Stability	Speed	Scalability	Support
Our top priority Invest +5% of revenues back into best-in-class security	**+99.9% availability** Trusted to deliver a stable service for -5000m POS	**We are real-time** 200ms to adjudicate a basket. 10k API TPS 365 days	**No one does more** Execute +750m personalised offers every week	**Here for you 24/7/365** Delivers a customer retention rate of +99%

CLOUD NATIVE

API-FIRST

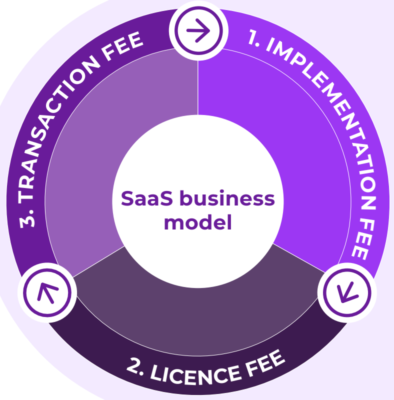
COMPOSABLE

OMNICHANNEL

REAL-TIME

AT A GLANCE CONTINUED

How we make money



01

- One off implementation fee

02

- Recurring licence fee for access to Eagle Eye AIR

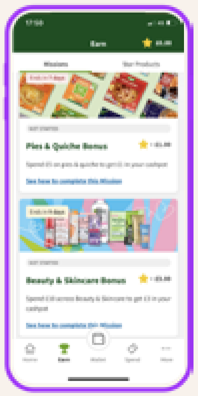
03

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

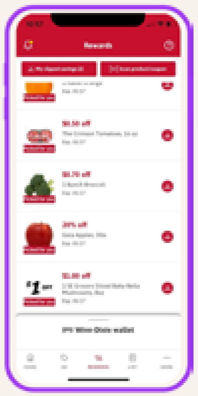
Our Core Products

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

01 Real-Time Loyalty



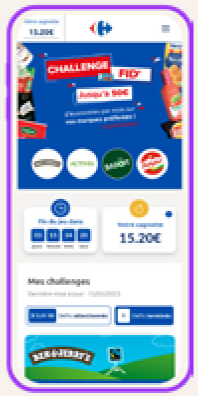
02 Omnichannel Promotions Engine



03 Gifting & Top-Up

04 Personalised Challenges

UNTIE NOTS



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

Eagle Eye locations

Tried, tested and proven

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

+750m
personalised offers weekly

+200m
loyalty members

0.2%
customer churn

Solving the personalisation problem for leading businesses all over the world

We believe in following the GOLDEN RULE

Treating people as they would like to be treated

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

The golden rule in action:

End Consumers

We are powering personalisation

Powered

+3.5bn

personalised shopping trips last year

Our Customers

We win with our customers

Customer retention rate of

+99%

Our Employees

We are a great place to work

eNPS

+65

(Vs. an industry benchmark of 35+)

Our Shareholders

We are an AIM Awards winner

Rule of 40+

NRR

+137%

STRATEGIC FRAMEWORK

1 Win, Transact, Deepen

To **win** new customers, **transact** through our platform, **deepen** with additional products from our portfolio

Progress

- **Win**
  Notable wins in UK, Canada, Australia and Singapore
- **Transact**
  Volumes +98% 3.3bn (FY22: 1.7bn)
- **Deepen**
  NRR 137%
  Key initiatives with the John Lewis Partnership, Pret, Staples and Mitchells & Butlers

2 Innovation

To develop **new products** to provide further upsell opportunities across our customer base and strengthen our competitive positioning

Progress

- Developing a new AI-based offering, Eagle AI
- £6.9m product spend +33%
- Servicing 90,000 outlets up +15% Y-o-Y
- 60 new features

3 International Growth

To enter new **Geographies**

Progress

- Strong international year-on-year revenue growth
- New regional directors appointed in Germany and Singapore
- First new customer win in Singapore

4 Better, Simpler, Cheaper

To run the business **Better, Simpler, Cheaper**

Progress

- **Better**
  Invested in our people, training, technology and tooling
- **Simpler**
  Moved to Terraform and Deployed Financial Force both delivering more standardised and structured processes across the business
- **Cheaper**
  Migrated to PubSub for our messaging service and continue to become more efficient and resilient by the use of cloud-native tooling

5 Mergers and Acquisitions

To asses **complementary acquisition** opportunities as they arise

Progress

- Successful acquisition of Untie Nots
- First new customer win in Singapore with Fairprice
- Combined sales and marketing function is bearing fruit for both businesses
- Provides the blueprint for future acquisitions

POWERED BY PEOPLE

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

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

Tim Mason
Eagle Eye CEO

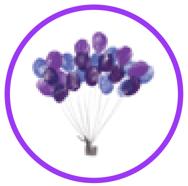
How we do what we do is what really makes us unique.

Our Values

Integrity
Earning trust

Excellence
Maintaining trust, building loyalty

Innovation
Keeping things fresh



Passion
Enjoying the ride

Teamwork
Passing purple on

Kindness
Bonding us together

CHAIRMAN'S STATEMENT

Another year of strong growth

beating our initial expectations

I am delighted to again be reporting to shareholders on another year of outperformance by the Eagle Eye team, delivering growth ahead of the Board's initial expectations. These results clearly demonstrate the business can deliver sustained high levels of organic growth and successfully complete complementary acquisitions, as evidenced by the acquisition of Untie Nots.

This will be my last Chairman's statement, and as I look back on my time with Eagle Eye, it is remarkable the extent to which the business has evolved in recent years – considerably expanding its offering, customer base, financial strength and geographic reach – becoming the established leading provider of personalised digital marketing capabilities to tier 1 retailers, globally. When I joined as a Non-Executive Director in 2014, taking on my role as Chairman in 2016, it was clear that the future of Eagle Eye was an exciting one. It has been a pleasure to be part of the Group's journey on the public markets and I am confident there is the right Board and team in place to take the business to its next stage of growth.

"It is remarkable the extent to which the business has evolved in recent years – considerably expanding its offering, customer base, financial strength and geographic reach – becoming the established leading provider of personalised digital marketing capabilities to tier 1 retailers, globally."

Importantly in these times, the business has also proven its ability to successfully navigate challenging economic backdrops, such as the COVID-19 pandemic and the current inflationary environment, while maintaining strategic focus. With its incredible customer base and underlying growth drivers, the future for Eagle Eye is brighter than ever.

Eagle Eye has a clear vision, mission and purpose, and our unique 'Purple' way of working is in large part made up by our values which are celebrated on a daily basis throughout the organisation. Our team are passionate about our customers, passionate about our offering and is setting the standard for service levels globally.

Momentum is strong at Eagle Eye, with the Group delivering across all areas of the customer strategy, underpinned by supportive market drivers.

One recent trend worth noting that will have a significant impact on the industry is the rapid advancement of Artificial Intelligence (AI). We believe Eagle Eye will be a key enabler for AI-driven personalisation in the coming years as we continue to play a central role in executing omnichannel personalisation at scale for the world's leading retailers. In addition to that, the Group is also planning to expand into the data and analytics space by launching an AI-based promotion personalisation offering, EagleAI, in 2024. This is incredibly exciting and is expected to significantly increase Eagle Eye's addressable market in the coming years.

Financial results

The Group enjoyed strong trading momentum throughout the Year, delivering revenue growth of 36% to £43.1m (FY22: £31.7m) and underlying organic revenue growth of 29%, excluding the contribution from Untie Nots. Adjusted EBITDA increased by 36% to £8.8m (FY22: £6.5m) and profit after taxation increased by 114% to £1.2m (FY22: £0.6m). This growing level of profits has driven strong cash generation and the Group closed the year with a net cash position of £9.3m at 30 June 2023 (30 June 2022: £3.6m), providing the business with the continued ability to invest to support future growth.

The Group continues to benefit from high levels of recurring revenue, providing a strong basis for continued positive performance, with growth in Annual Recurring Revenues of 40% to over £33m at 30 June 2023 (2022: £23.9m).

ESG

As a Board and business, we are committed to high standards within all areas of ESG and made good progress against our stated objectives during the Year, building on our existing foundation of responsible business practice. Measuring our progress against set KPIs, which we commenced in FY21, and our focus on how we can make Eagle Eye a better business has provided us with a clearer picture as to where to commit our efforts.

CHAIRMAN'S STATEMENT CONTINUED

As a 'Virtual First' business and outsourcing the running of our infrastructure to key suppliers, our carbon emissions as a business are naturally low, although we have seen an increase in air travel following the lifting of lock down and the increasing geographic spread of the business, as we support customers and continue sales and marketing activities globally. This has, as in previous years, been offset by the planting of trees. We also ensure our key suppliers monitor and have targets around their environmental impact.

Central to everything we do at Eagle Eye is our belief in following the Golden Rule – treating people as they would like to be treated. This is at the very heart of personalisation with the AIR platform being used by retailers globally to help them follow the Golden Rule when engaging with their own customers. Internally, this manifests itself in our people-first culture where the business places the success and happiness of its people at its heart. On behalf of the Board, I would like to thank all the team for their commitment to creating exceptional value for our customers, always working in accordance with our stated values.

We fully recognise the importance and value of high standards of corporate governance and always look to maintain our strong corporate governance framework, following the principles of the QCA Corporate Governance Code. After more than 12 years with the Company, long-standing Non-Executive Director and founding external shareholder, Bill Currie, retired from the Board in March 2023. We are incredibly grateful for all the support and guidance he provided in his time with Eagle Eye and wish him the very best. We were delighted to welcome Charlotte Stranner to the Board as an Independent Non-Executive Director in May 2023, who brings a wealth of experience in both the listed technology company arena and the adjacent world of digital advertising. As notified in September 2023, I will also be stepping down from the Board at the forthcoming AGM, following nine years with the Company. In Anne de Kerckhove, my successor, the Board has found a highly experienced and driven individual who I am sure will be a fantastic steward of the business for all stakeholders.

To read more about our response to ESG and the expertise of our Board, go to page 26

Opportunity

The market in which Eagle Eye operates is expanding, as retailers globally develop their omnichannel capabilities to address the rapidly changing consumer shopping behaviours, particularly in the current cost-conscious climate. Eagle Eye expects the shift towards digitisation and personalisation to continue to accelerate and for Eagle Eye to be a beneficiary of that acceleration, as retailers globally continue to recognise the strategic importance of real-time delivery of personalised offers. How to harness the power of AI is a key topic of debate across all retailers and we believe the lead we have in this area, through the Untie Nots acquisition and the AIR platform's ability to deliver hyper personalised messages to consumers at speed and scale, places us in the ideal position to be a key enabler of these advancements.

Eagle Eye is an ambitious business with a passionate team. With such a considerable opportunity ahead, we will continue to invest in order to innovate and grow, building on our position as the digital marketing platform of choice for tier one retailers globally.

This ambition, together with the Group's growing ARR, profitability and cash generation, means the Board looks to the future with confidence.

Malcolm Wall
Non-Executive Chair

CHIEF EXECUTIVE OFFICER'S STATEMENT

An outstanding year

delivering against all areas of our strategy

This has been another outstanding year for Eagle Eye. We successfully delivered across all areas of our customer strategy in every target geography, while also completing the acquisition of Untie Nots, a rapidly growing, AI-powered gamification promotions company, bringing new capabilities, customers, and talented team members into the Group.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

Revenue growth of

+36%

to £43.1m
FY 2022: £31.7m (29% organic)

ARR growth of

+40%

to £33.3m
FY 2022: £23.9m

These successes led to strong revenue growth in the Year, achieving an increase of 36% to £43.1m and an increase in adjusted EBITDA of 36% to £8.8m. This growing level of earnings is flowing through into positive cash generation, providing us with the ability to invest to support our future growth. Profitable growth is an important measure for the Group, reflecting the discipline with which we invest in the business.

The strength of our SaaS business model is once again evidenced by our strong metrics, with ARR up 40% to £33.3m, NRR strong at 137% and churn low at 0.2%, providing a strong basis for continued expansion.

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

We have continued to invest, to support our increasingly international customer base, drive our win rate and strengthen our position as a leader in personalised digital engagement for tier-1 retail. Core areas of investment include the expansion of our operational team, increased investment into sales and marketing, and our continued investment into the scalability and flexibility of our technology.

We continue to expand across all key geographies, with particularly strong growth in the US and Australia in the Year, as we deepen our engagements with key customers in these regions. Our strategic partnership with Google continues to deepen, and we are already seeing this generate new sales and additional opportunities for the Group.

Our strong performance over the last 12 months across all key territories reflects the growing relevance of our loyalty and promotions platform at a time when digital engagement with consumers has never been more important.

Market opportunity and competitive strength

The overarching competitive strength of the AIR platform is its ability to deliver real-time loyalty and customer engagement initiatives, enabling retailers to treat each of their customers in the way they would like to be treated – as individuals. The platform can scale to deliver any type of personalised marketing message to any customer across any channel securely and at enterprise scale. This ability is resonating with retailers around the world, as they become increasingly aware that data-driven, personalised promotions and rewards are one of the most effective ways to drive increased trade and retain customer loyalty.

Personalisation at scale is becoming increasingly more important

In this cost-conscious climate, customer engagement propositions are key ways for retailers to be able to deliver tangible value to their customers. In a recent global loyalty study conducted by Eagle Eye, 84% of consumers felt that more personalised offers would enable them to access additional value to help them save at the shelf but almost a third of global loyalty programme managers surveyed admitted that delivering personalised offers was one of their biggest challenges.[1]

1 Grocery's Great Loyalty Opportunity.

This clearly demonstrates the need for retailers globally to develop their omnichannel capabilities to address the rapidly changing consumer shopping behaviours, and the opportunity for Eagle Eye to solve those retailers' challenges by offering a platform that is flexible, scalable and one that seamlessly integrates into their existing marketing ecosystem.

We are seeing retailers across the globe launch new, sophisticated customer engagement initiatives to deliver additional value to customers. This has been done through member pricing, personalised pricing, subscription schemes and more. There has been significant innovation in this space across sectors, from Liberty's 'Beauty Drop' subscription to Pret a Manger's 'Club Pret' and Woolworths Australia's 'Everyday Extra' subscription, as well as the flurry of activity in the UK grocery sector regarding member pricing, creating an expanding market opportunity for Eagle Eye.

"There's a mega trend going on globally right now and it's primarily enabled through apps and capabilities like Eagle Eye."

Brad Banducci
Woolworths Group CEO

Woolworths

"Loyalty is a lifeline during the inflation crisis."

Mary Pilecki
Principal Analyst at Forrester

Forrester

AI needs AIR

The development in the field of AI represents an enormous opportunity for the future of scaling Eagle Eye. I am particularly pleased that, at this early stage, we have three tangible areas for progression.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

#A Continue to be the leading enabler of advanced analytics and AI

Recent developments in AI across the retail industry demonstrate that personalisation is going to be easier for all types of retailers globally to adopt, which presents an exciting opportunity for Eagle Eye's AIR platform. Working with some of the biggest and most advanced retailers in the world, we have always worked closely with data analytics firms and, more recently, AI technologies and businesses, which help our client base understand what the next best message to send to each customer is, and when to send it. This personalised marketing is then executed at scale, across all channels, via our AIR platform.

As retailers all over the world enhance their data science and AI capabilities, the market opportunity for Eagle Eye will increase as these businesses will need the technology in place to enable them to execute against the insights that they are now able to generate. We believe that we are the only platform in the world that can deliver personalised marketing at the required speed and scale to keep up with AI-led personalisation which will be powering more engaging and more relevant experiences for the end customer. As a result, we look forward to working with more businesses across more geographies and verticals to act as the execution platform to deliver omnichannel personalisation at scale.

#B Launching our own AI-powered offering for retailers globally – EagleAI

Through the acquisition of Untie Nots we gained great new customers, an increased geographical reach and a fantastic team, many of whom have deep experience using and developing AI solutions for retailers. Untie Nots' AI-based SaaS solution which powers personalised and gamified continuity promotions or 'Challenges', has been a great addition to our product portfolio.

To further capitalise on the exceptional AI talent we now have within our business, Eagle Eye's sales and marketing executives and Untie Nots' development teams have been working together to build a new offering, EagleAI, which uses AI to autonomously create the right personalised offers to send to the right customers. By using our AI offering rather than traditional data science techniques, retailers will be able to create one-to-one experiences for each of their customers using a fully automated stack of AI algorithms to optimise product affinity, stretch and reward levels for each individual customer. EagleAI is unique in that it has been built specifically for retailers, a sector both teams understand deeply. We believe that EagleAI could be sold as both a standalone offer picking product or in conjunction with AIR, whereby the EagleAI decisioning would feed into the AIR platform, enabling the AI-derived personalised offers to be executed in real time across all channels.

We are currently working on a pilot and believe this offering can open up a considerable additional addressable market for Eagle Eye, following its launch in 2024.

#C Using AI to enhance our tech stack and development capabilities

Internally, we are exploring how AI can be applied to our own internal projects, processes and tools to continue to the run the business in a Better, Simpler, Cheaper way. It is in its early stages, but we believe this will be an important way of reducing toil whilst maximising the time we can spend on innovation and product development. We expect AI to be the capability that enables further efficiencies within Eagle Eye which in turn could drive higher margins to allow us to reinvest into the business to support our continued growth.

Delivering against our five strategic pillars for growth

1 Win, Transact, Deepen

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 on to the Eagle Eye AIR platform;
- **'Transact'**: drive higher redemption and interaction volumes through the platform; and
- **'Deepen'**: encourage our customers to adopt more of our product portfolio as they become more adept at digital marketing.

Win

Each new win adds substantial additional value given our high level of customer retention, and revenue from our largest revenue-generating customers typically increases by a multiple of over three times by the end of their third year on the AIR platform, through both increased use of the platform and the addition of new services.

The Group delivered a steady level of 'Win' related revenue for the Year, which included extending our reach into new territories.

New customer highlights include a multi-year contract with Morrisons to provide promotion and loyalty services, a multi-year loyalty contract with Hudson's Bay Company in Canada and IKEA Taiwan, our second IKEA subsidiary.

We also facilitated Untie Nots' entry into the Singapore market, securing a multi-year contract with Singapore's largest retailer, NTUC FairPrice Co-Operative Ltd ('FairPrice').

We have introduced a range of initiatives to increase our future win rate, including: the acquisition of Untie Nots, which provides a quicker 'win' product, with several positive joint conversations already underway; a partnership with Google Cloud, providing an additional source of leads; and increased investment in our marketing activity. As a result, we are seeing an improved level of leads in the pipeline and have entered FY24 with a strong new business pipeline. Wins post year end include a three-year contract with an Australian retailer, increasing our presence in the region.

Partnerships provide additional strength and access to potential customers

We have a clear and considered strategy to work with other 'Best in Class' partners within the marketing ecosystem to provide a digitally connected experience across the shopping journey both at home and in-store from the shelf to the register. Our strategy enables us to engage and partner with several relevant businesses, where we are able to extend our sales and marketing reach and ultimately bring more customers on to the AIR platform.

1 Win, Transact, Deepen continued

In the Year, we deepened our strategic partnership with Google, firstly through our Google Cloud Partner Advantage accreditation in H1, giving us access to Google's training, co-marketing and technical resources. Importantly, we also launched Eagle Eye on Google Marketplace, making it easier and more cost effective for enterprise Google users to discover, purchase and deploy Eagle Eye AIR. In the first six months of launching, we have already transacted our first two enterprise deals, being Morrisons and FairPrice. We have engaged with the Google sales teams in each of our key regions and in June 2023 our senior team were invited to meet senior Google executives at Google's offices in California.

We also deepened our relationships with key partners across the spectrum of the marketing ecosystem including rolling out our Oracle Simphony integration to a number of other brands internationally and new partnerships with Salesforce. We continue to partner with Neptune Retail Solutions ('NRS'), with whom we are targeting the vibrant and highly active Consumer Packaged Goods ('CPG') digital coupons market in North America. Together with NRS we are working closely to deliver for two of our major clients in the US which continues to progress well. We remain focused on revitalising and modernising how CPG companies can engage shoppers digitally through personalised promotions.

Transact

Chargeable AIR redemption and loyalty interaction volumes, a key measure of usage of Eagle Eye AIR, increased by 98% to 3.3bn (2022: 1.7bn). We continue to benefit from the accelerated ability to take these customers live into the Transaction phase.

Growth in transaction and subscription revenue was driven by the Woolworths Group contract in Australia reaching full-scale, the full go-live of a large grocer in the U.S., and the national rollout of Asda's loyalty programme, Asda Rewards. Eagle Eye AIR powers Asda Rewards, operating the offer and reward management within the app – which was number one in the UK app store for six weeks post-launch[2], the membership card, star products, missions, and cashpot as well as the creation and redemption of vouchers through its integration with Asda's point-of-sale systems. Nearly five million customers now use the Asda Rewards app every month and have been growing their cashpots to help reduce their grocery bills. In June 2023, Asda announced that more than £100m had already been earned into cashpots during the first half of the year[3].

Deepen

A key part of our strong performance has been the considerable increase in use of the AIR platform by our existing customers, as reflected our strong NRR of 137%.

2 https://www.statista.com/statistics/700093/leading-iphone-shopping-apps-in-great-britain-by-downloads/#:~:text=In%20September%202022%2C%20Asda%20Rewards,iPhone%20users%20in%20Great%20Britain

3 https://corporate.asda.com/newsroom/2023/06/08/asda-customers-earn-over-100m-through-popular-rewards-app

This is due to the significant increase in interest in our promotion and loyalty offerings as retailers look to enhance the way they retain and reward their customers, particularly with the cost-of-living crisis continuing to tighten household budgets. The new capabilities and cross-sale capability from our acquisition of Untie Nots have provided increased opportunities to deepen our contractual relationships with existing customers. Pleasingly, our long-term contract customer churn rate by value remains very low at below 1%, with good levels of renewals taking place.

Key deepen successes include a new five-year contract with The John Lewis Partnership, a new pan-partnership loyalty project launching in 2024 alongside dunnhumby. This brings together Eagle Eye's existing relationships with John Lewis, first announced in 2017 to improve John Lewis's digital marketing capabilities, and with Waitrose, subsequently announced in 2019.

We also significantly deepened our relationship with Pret a Manger in the period, supporting them in relaunching their coffee subscription as 'Club Pret'. In this new model, Eagle Eye enables Pret to offer their subscribers 10% off all products and five barista made beverages a day for the monthly cost of £30. This re-launch was swiftly followed by the Eagle Eye-powered Pret 'Gold Card', available for all employees to manage their team member discount.

Further customer expansions include Staples US retail and the deepening of our partnership with Mitchells & Butlers through the launch of its Staff Rewards app as well as an app targeting suppliers, providing discounts at venues across the UK.

2 Innovation

Innovation sits at the heart of everything we do at Eagle Eye. As one of six 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 end customers. 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 enterprise customer base. 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.

During the Year, we have grown significantly, onboarding new customers in new geographies and Deepening the services we provide to them. We are now servicing more than 90,000 unique outlets globally, up 15% vs. the prior year. From a platform point of view, this has meant a continued focus in the period on ensuring we can match this fantastic growth, delivering against the needs of our current, new and future customers all over the world when it comes to our product's speed, scale and flexibility.

Extending the digital marketing toolkit

Eagle Eye AIR provides retailers with a comprehensive digital marketing toolkit, but we continue to innovate in this space to enable us to deliver an even more flexible and extensive set of use cases to our customers to power their leading customer engagement initiatives. In the period, we have deployed more than 60 new features, including new promotion types (e.g. quest campaigns), extensions to existing product capabilities (e.g. message at till), delivered new ways for retailers to reward their customers (e.g. social and behavioural rewards), and have packaged up a number of new, enterprise ready direct-to-consumer APIs (e.g. delivering digital and mobile services to our customers). In addition to this, we have built new features that will support us as we enter new verticals and geographies (e.g. pending points and a set of mobile ready APIs which enable easier integration).

Continuing to lead with personalisation, speed and scale

As we extend our toolkit, we also innovate to ensure that we can meet the needs of our growing customer base when it comes to speed and scale. We currently have more customers than ever transacting more than ever through our platform and so we are continually working to improve performance to ensure that we can deliver more, faster. Currently, in an average month, we issue more than 2.5 billion offers to customers worldwide, distribute more than 185 billion loyalty points into millions of unique wallets and process more than 6.7 billion API calls across the AIR platform. We continue to make use of the best technologies the cloud has to offer, significantly improving the overall performance of our AIR platform and to scale the overall running of the platform, maintain lightning response times whilst we build more and more capability. As a result of our investment into this area of the business, we are able to process these ever-increasing volumes at ever-faster speeds.

In the Year we have applied hundreds of new rules and permutations to our cloud-based adjudication engine, POS Connect. This enables retailers to achieve levels of individual personalisation with their customers that has never been seen before, at an unprecedented speed and scale.

Delivering value faster

This year we were excited to launch our Eagle Eye Academy across the world. This bespoke training platform gives our customers the ability to get up to speed more quickly on how to get the most value out of Eagle Eye AIR. The Academy contains a full array of courses available to take online, with learning paths for different parts of our platform. Initial feedback, both from our internal teams and from customers, has been fantastic. This, coupled with best practice guides for integration, enabling our API documentation to be available online and automating the configuration of the platform means that customers can start to get value from AIR from day one.

3 International Growth

The benefits of our investment into international expansion are evident, with the deepening of our clients' engagements in the US and Australia, as mentioned above, and initial customers secured in Southeast Asia. As a result, we have seen significant revenue growth from the US (+129%) and APAC (+56%) in the Year. 35% of the Group's total revenue now comes from the US (2022: 21%). We now have a much broader international footprint, adding France, Germany and Singapore following a year of expansion, providing a wider funnel for opportunities going forward.

International marketing activities

We made initial investments into Singapore and Germany as well as additional direct sales resource in North America, targeting the considerable US promotions and loyalty market and, as a result, marketing activities stepped up to support the sales resource investment in these regions. We plan to further increase our sales and marketing activities throughout FY24, with a particular focus on investing into North America and France, in line with our strategy to invest as we 'Win'.

Investment has been made into lead generation campaigns to drive more inbound leads into the sales pipeline as well as an events programme that included the Tech For Retail Show in France, Groceryshop in the US, breakfast briefings with major retailers in Singapore, Thailand and Malaysia, and NRF, the most influential retail conference in the US. Eagle Eye also joined key trade associations including GS1 Switzerland, California Grocers Association, FMI, Australian Loyalty Association and NRF to raise awareness amongst loyalty professionals and increase networking opportunities. These activities led to a considerable increase in leads compared to FY22 with converted leads up 61%.

We are also encouraged by the initial marketing activities being carried out with Untie Nots, individually and jointly, building the pipeline both in the UK but predominantly internationally. Untie Nots is leveraging our more extensive sales and marketing expertise and strong customer network which has led to encouraging conversations. Untie Nots' contract win with NTUC FairPrice Co-Operative Ltd in Singapore demonstrates the benefit to Untie Nots of Eagle Eye's international marketing reach, and we look forward to continuing building a promising joint international sales pipeline.

North America
+129%

APAC
+56%

EMEA
+7%

4 Better, Simpler, Cheaper

As a business we strive to maximise our productivity and efficiency and look for ways to benefit from our increasing scale as we continue to invest in innovation and growing the business. We have developed a proven business model to grow our EBITDA margin, whilst also investing, as we 'Win', in sales & marketing and enhancements to the product to generate new opportunities for growth.

On the 'Better' side we have invested in new tooling to help us manage the AIR platform more effectively, as described above, resulting in availability of 99.97%. We continue to upskill our staff and have again invested in our technical staff to achieve Google Cloud Certifications as well as building an internal library of resources and collateral, and launching our Eagle Eye Learning Academy internally and externally. We successfully recertified our ISO 27001 across all our offices globally, as well as continuing our SOC2 Type II certification.

As ever, we have continued to look at how better to onboard our clients and the volume and speed of new clients in the Year shows the great work done in this area with more to come in the new financial year. Security is always a huge focus for the Group, and we continue to invest in this area by moving to a continuous assurance, always on monitoring, backed by expert third parties who monitor our platforms and the dark web for possible threats 24/7.

Our people and beliefs

Firstly, I'd like to take this opportunity to thank Malcolm Wall, who will retire as Chair following this year's AGM. Malcolm has been an incredible support to me and this business over the past nine years and his importance cannot be overstated. He has provided significant guidance since Eagle Eye joined AIM and we have all benefitted from his extensive experience and knowledge. On behalf of the whole Company, we thank him for his service and wish him all the very best for the future. Our new Chair, Anne de Kerckhove, who will join the Board in October as Non-Executive Director before assuming the Chair role at the close of the AGM, brings a wealth of experience in the technology, media and entertainment industries and high growth, international businesses and we look forward to working with her. I'd also like to thank our long-standing Non-Executive Director, Bill Currie, who after 12 years on the Eagle Eye Board stepped down following the Group's interim results in March 2023. We are incredibly grateful for all the support and guidance he has provided in his time with Eagle Eye and wish him the very best.

Read more about the Board on page 39

Availability

99.97%

NPS

+66

vs. industry benchmark of +35

4 Better, Simpler, Cheaper continued

The central tenet of Eagle Eye is to create value for our customers. This drives what we do, and we believe it is key to making a successful business. All the value we create is thanks to our brilliant employees.

Integration with the Untie Nots team has been smooth, as we are aligned with in both our values and culture, and now we have an even larger team of people who are dedicated to developing market leading technology that delivers value to some of the biggest industry names around the world.

At Eagle Eye we have a clear vision, mission, and purpose, and a unique 'Purple' way of working that we curated and follow because we believe it influences our lives and the world for the better. Our Purple Playbook, introduced last year and given to every member of our team, celebrates the evolution of Eagle Eye and explains our belief that by following the 'Purple Method', we will continue to grow together.

Our commitment to our ethos, purpose and Purple Method helps us deliver value to clients, which we track through our NPS score. We are incredibly proud of our latest score of +66 which is significantly higher than the Technology Industry benchmark of +35. We celebrate the contribution of our people both at our Annual Company Conference and throughout the Year through our Purple Values Awards.

4 Better, Simpler, Cheaper continued

Last year we launched our 'Purple Pathways' career development programme, which supports employees in developing their careers at Eagle Eye and advancing into new roles. Pathways is an interactive tool which employees navigate, which shows the critical skills required for progression and the type of experiences or training that could be provided. It is fantastic to see our team members already reaping the benefits of the programme, with more than 52% of employees now having a formal development pathway in place. In addition, we designed and implemented our bespoke Purple Leaders training – focusing on eight core modules essential for existing and aspiring managers as part of their Pathways. We believe that having a great boss is one of the most important ingredients for workplace happiness and success and are therefore thrilled that 100% of our current managers have already taken part in this training programme.

As part of our onboarding process, we run a bespoke programme called Life Skills for all new starters. This introduction to cognitive behavioural therapy is an investment into our new starters to help them become the best version of themselves.

In the Year we launched our new Wellbeing policy which is underpinned by our value of Passion. Our vision statement is that we are "passionate about your mental and physical health, and we place your wellbeing at the heart of our culture" and as part of the new policy we have delivered a range of initiatives to achieve this vision, including mental health training, fitness sessions and risk assessments to ensure safe working at home.

As part of our ongoing commitment to charity work and to create a positive and engaged work environment, we continue our partnership with 52 Lives, a charity built around the concept of 'kindness' who find individuals who need help and then deliver it. Every month, we recognise the individual that our efforts have helped and during the course of the Year, run a series of employee-generated fundraising events.

Our 'Purple Women' initiative continues to effect positive change in the workplace and champions policies that offer parents more flexible working patterns, enhanced leave packages, and additional support on their return to work; together with education and support of health-related issues impacting employees. During Pride month in June 2023, we also launched a 'Purple Pride' initiative that aims to create a safe workspace for all employees, celebrating our individuality and encouraging everybody to be themselves. Looking ahead we will continue to evolve our employee development programmes, succession planning and diversity and inclusion efforts. We remain committed to continuous improvement and investment in our employees and making Eagle Eye a great place to work.

Of the many 'Simpler' initiatives across the teams, a few notable successes include the move to Terraform which allows us to standardise and control our environments globally in a more structured way, and the use of Financial Force now rolled out across our Delivery teams to help us manage their effectiveness and project allocation.

In terms of running the business 'Cheaper', our KPI of Google Cloud Platform spend percentage against recurring revenue is the indicator we have been using to monitor our Google Cloud spend. This year we have averaged 20.5% by closely monitoring and taking on initiatives to drive us forward in our goal to become more cloud native and serverless. We successfully migrated to PubSub for our messaging service, and we continue in our drive to become more efficient and resilient by the use of cloud native tooling.

The acquisition of Untie Nots provides immediate synergies, such as cloud hosting costs and the ability to offer them our extensive sales and marketing expertise, as described above. We now have the combined sales and marketing efforts of our two companies in our arsenal, enabling us to streamline our efforts and reduce costs.

Our people costs represent 65% of the operating costs of the business in the Year (FY22: 65%) and we recognise they are our biggest asset. Our business model continues to allow us to use remuneration as one of the levers to reward and retain our best people. Continued investment into the new year is built into our plan each year, in line with the model we have developed. We continue to review average industry wages and are comfortable that we are well placed to manage any rises in the year ahead.

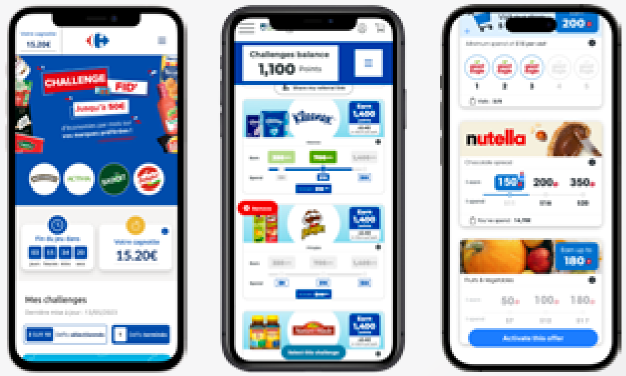
5 Mergers and Acquisitions

We successfully completed the acquisition of Untie Nots in January 2023, a rapidly growing SaaS company enabling retailers to deliver AI-powered, personalised spend-stretch challenges to customers at scale which are profitable by design. The acquisition provides us with accelerated entry into the French market, brings some of Europe's largest grocers into the Group, adds to our growing roster of US clients and provides a wealth of cross-sale opportunities for both businesses. Importantly, the Untie Nots team have been able to benefit from becoming part of our more advanced sales and marketing organisation, considerably expanding the reach for their innovative technology. The Untie Nots team also bring additional capabilities and deep experience of using and developing AI solutions for retailers.

In just a few months post-acquisition, we are already seeing the benefits of working together. Introduced by Eagle Eye, Untie Nots secured a contract with FairPrice, Singapore's largest supermarket chain, in May 2023. This was the first win for the Group in the region and demonstrates the benefit to Untie Nots of Eagle Eye's international marketing reach, and the speed of the sales cycle for the Untie Nots offering. It is also testimony to the benefit of our own investment into international expansion and we continue to build a promising international sales pipeline, alongside Untie Nots.

The success of the acquisition and mutual benefit to both businesses provides us with a blueprint for further acquisitions, and we continue to assess the market for new opportunities.

UNTIE NOTS
an eagleeye company



Our assessment so far

- ✓ No complexity introduced – oversight from and reporting to Tim & Lucy
- ✓ Sales and marketing bearing fruit – strong and growing pipeline from introductions both ways
- ✓ First 'new' customer won within months – FairPrice in Singapore, introduced by Eagle Eye
- ✓ AI capabilities are phenomenal and proven in the field
- ✓ Strong cultural alignment – generating great ideas and excitement
- ✓ A valuable addition to the Group

Outlook

We have entered FY24 in a strong position with a growing pipeline and considerable momentum across the Group. Trading in FY24 to date has been in line with the Board's expectations.

In the current difficult economic environment, retailers are turning to data-driven, personalised promotions and rewards as one of the most effective ways to drive increased trade and retain customer loyalty. Meanwhile, advances in technology, such as generative AI, are making personalisation more accessible for a wider range of retailers. Eagle Eye's central position as the technology that enables the execution of these programmes means we are becoming increasingly relevant, providing further growth opportunities.

The Group continues to successfully manage inflationary pressures and the underlying growth and flexibility of the Company's business model mean that we can invest into the business and people with confidence to support future growth. The successful acquisition of Untie Nots demonstrates the benefit we can bring to other businesses looking to scale, and we continue to assess the market for earnings enhancing acquisition opportunities.

We have a growing addressable market, high profile customers in multiple geographies, an outstanding team and a high-quality business model driving growth in revenue, profits and cash generation. Alongside this, developments within AI and the clear demand from our customer base and wider retail sector, means we are very excited about the future of Eagle Eye.

Tim Mason
Chief Executive Officer

We are committed to high standards of ESG

focused on materiality and making a difference

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

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

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

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

	FY22	FY23	Better than median
Energy consumption MWh/£m	7.08	4.21	✓
CO_2 production tonnes/£m	2.78	2.49	✓
Water consumption m3/£m	0.16	0.13	✓
Environmental statement	Yes	Yes	✓
Employee T/O	16%	14%	✓
Employee NPS	56	66	✓
Median Gender Gap	17%	19%	✓
Discrimination policy	Yes	Yes	✓
Community outreach	Yes	Yes	✓
Ethics Policy	Yes	Yes	✓
% Women on Board	14%	29%	✓
% Independent Directors*	29%	43%	X
CEO pay as x of median	X 11	X 14	✓
CEO & Chairman split	Yes	Yes	✓
QCA	Yes	Yes	✓

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

Environmental

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

Social

- Our goal is to make this a great place to work – our people are our greatest asset
- Continued our charity partnership with 52 Lives helping individuals and families in need. Raised nearly £40k in FY23
- Purple Women – an ERG who seek to effect positive change in the workplace
- Purple Pride: launched during Pride month in June 2023, Purple Pride is an initiative that aims to create a safe workspace for all employees, celebrating our individuality and encouraging everybody to be themselves

To read more about how we support our people, go to page 22

Governance

- Strong governance framework – QCA code followed
- Board level ownership – Malcolm Wall sponsors the ESG initiative and Lucy Sharman-Munday is the executive owner
- KPIs to assess and monitor key aspects of ESG
- The Group remains committed to high standards of ESG as set out in the table on page 26

FINANCIAL REVIEW

Strong growth across the board

Revenue, profits and cash flow

Revenue
£43.1m
FY 2022: 31.7m
+36%

Profit after tax
£1.2m
FY 2022: £0.6m
+114%

Closing net cash position
£9.3m
FY 2022: £3.6m
+156%

Key Performance Indicators

Financial		FY23 £m		FY22 £m	Var
Revenue		43.1		31.7	36%
Subscription and transaction revenue:					
AIR licence revenue	£14.1m	32%	£12.2m	39%	16%
AIR transaction revenue	£15.7m	37%	£9.7m	30%	63%
Untie Nots licence & transaction revenue	£2.2m	5%	–	–	–
SMS transaction revenue	£2.4m	6%	£2.1m	7%	12%
Total subscription and transaction revenue	£34.5m	80%	£24.0m	76%	44%
AIR annual recurring revenue		33.3		23.9	40%
Net revenue retention rate		137%		145%	-8ppt
Adjusted EBITDA[1]		8.8		6.5	36%
Adjusted EBITDA[1] margin		20.4%		20.5%	-0.1ppt
Profit after tax		1.2		0.6	114%
Net cash[2]		9.3		3.6	156%
Cash and cash equivalents		10.6		3.6	192%
Borrowings		(1.3)		–	N/A

Non-financial		FY23		FY22	
Chargeable AIR redemption & interaction volumes		3,350m		1,693m	98%
Long-term contract customer churn by value		0.2%		0.2%	0ppt

1 Adjusted EBITDA excludes costs associated with the acquisition of Untie 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 21.

2 Net cash is cash and cash equivalents less borrowings.

Group results

Revenue

Revenue growth for the Group was 36% for the Year (FY22: 39%), with the contribution to H2 from Untie Nots building on top of the strong organic growth in revenue of 29%.

The Group's Annual Recurring Revenue[1] ('ARR'), which is our period exit rate for recurring AIR and 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 40% to £33.3m (FY22: £23.9m). The growth rate in ARR is higher than the overall revenue growth due to subscription and transaction revenue increasing to 80% of total revenue (FY22: 76%) as the use of our services increases with our largest Tier 1 clients across the globe, as well as benefitting from the impact of the acquisition of Untie Nots. The increased use of the platform can particularly be seen from the 63% increase in AIR transactional revenue to £15.7m (FY22: £9.7m).

Professional services revenue increased by 12% to £8.6m (FY22: £7.6m). 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, although 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 £5.8m at 30 June 2023 (30 June 2022: £3.0m).

The Group has maintained a strong Net Revenue Retention ('NRR') rate, which is the improvement in recurring AIR revenue excluding new wins in the last 12 months. In FY22 our NRR benefitted from the recovery in the Food & Beverage sector from the impact of Covid-19. Excluding the Covid-19 recovery impact NRR for FY22 was 137%; in FY23 this has been maintained due to continued successful deepening of existing accounts, including increased transactional revenue.

Chargeable AIR redemption and loyalty interaction volumes, a key measure of usage of the AIR platform, increased by 98% to 3.3bn (FY22: 1.7bn), ahead of the growth in recurring subscription and transaction revenue, reflecting increasing transactional usage of the platform by all our international grocery clients, in particular for loyalty transactions where we have seen key customers such as Woolworths moving through their contract cycle with volumes from the Everyday Extra subscription increasing within their existing licence and transection fee charging bands.

In addition to winning new business, including Morrisons, IKEA Taiwan and Hudson's Bay Company, a substantial Canadian retailer, and deepening existing relationships, the Group successfully maintained an extremely low rate of long-term contract customer churn by value at 0.2% (FY22: 0.2%). This reflects the scale and breadth of the AIR platform's offering in meeting our customers' needs.

ARR[1]

£33.3m

FY 2022: £23.9m

+40%

Net Revenue Retention[2]

137%

FY 2022: 137%[3]

1 Period End Annual Recurring Revenue is defined as period exit rate for recurring AIR 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 AIR revenue excluding new wins in the last 12 months.

3. Excluding Covid-19 recovery impact.

FINANCIAL REVIEW CONTINUED

SMS messaging revenue increased from the prior year, despite strong cost headwinds in this commoditised market, to £2.4m (FY22: £2.2m). This reflected inflationary increases with volumes of messages sent down 1% to 65.3m (FY22: 68.3m) driven by those clients who recognise the benefit of an omnichannel strategy and which have integrated their High Street stores and their eCommerce offering, including JD Sports and Pets at Home. Consistent with previous guidance, SMS is expected to continue to represent a decreasing proportion of the Group's revenue in future years.

Gross profit

Gross profit grew 38% to £41.0m (FY22: £29.6m), with gross margin at 95% (FY22: 94%) as the contribution to revenue from the lower margin SMS business continues to reduce.

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

Adjusted operating expenses

Adjusted operating costs increased 39% in line with the growth in gross profit to £32.2m (FY22: £28.9m) as the business has invested in line with our planned growth investment model. These operating expenses, which exclude costs of £1.3m associated with the acquisition of Untie Nots SAS, represent sales and marketing, product development (net of capitalised costs), operational IT, general and administration costs.

The 39% increase in staff costs to £26.1m (FY22: £18.8m) primarily reflected an increase in average headcount for the Year which was up 36% to 222 (FY22: 162), including the impact of the acquisition of Untie Nots. In addition, reflecting the inflationary pressures seen in all territories, we had built into our operating model increased annual pay awards which were made in January 2023. 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 £6.9m (FY22: £5.2m) and sales and marketing spend was £4.8m (FY22: £3.7m).

IT Infrastructure costs grew at a slower rate than recurring revenue growth by 23% to £8.1m; representing 23% of recurring revenue (FY22: £6.5m; 27% of recurring revenue) as the Group benefitted from investment in infrastructure for its overseas regions in FY22 in advance of the significant increases in volumes seen in FY23, with work continuing to optimise the efficiency of our infrastructure as we continue to grow. Capitalised product development costs increased to £2.6m (FY22: £2.2m), whilst amortisation of capitalised development costs was £2.5m (FY22: £2.3m). Contract costs (including costs to obtain contracts and contract fulfilment costs), recognised as assets under IFRS 15, increased to £2.8m (FY22: £2.7m), reflecting the high level of new wins during the Year, and amortisation of contract costs was £1.7m (FY22: £1.3m).

Gross margin

95%

FY 2022: 94%

+1ppt

Gross expenditure on product development

£6.9m

FY 2022: £5.2m

+33%

Adjusted EBITDA and profit/(loss) before tax

The strong revenue performance and continued controlled investment spend have resulted in continued growth in organic adjusted EBITDA margin to 21% (FY22: 20%). Reflecting its earlier stage of growth, EBITDA margin for Untie Nots was 4%, resulting in an adjusted EBITDA margin for the Group of 20%, in line with the prior year. The acquisition of Untie Nots and the timing of inflationary pay awards and investment for growth meant that Group EBITDA margin fell to 18% in H2 23 compared to 23% in H1 23. Adjusted EBITDA was up 36% at £8.8m (FY22: £6.5m) for the Year. To provide a better guide to the underlying business performance, adjusted EBITDA excludes the costs of the acquisition of Untie Nots along with share-based payment charges, depreciation, amortisation, interest and tax from the measure of profit. The GAAP measure of operating loss before interest and tax was £(0.6)m (FY22: profit of £0.7m) reflecting the increased amortisation as a result of intangibles recognised under IFRS 3 on the acquisition of Untie Nots of £1.3m and the increased non-cash share-based payment charge of £2.4m (FY22: £1.9m), reflecting the successful revenue and EBITDA performance this year 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, offset by the EBITDA earnt in the Year.

The Group aims to manage the business to at least achieve the Rule of 40 (Revenue growth + Adjusted EBITDA margin = 40), with an expectation that the Adjusted EBITDA margin achieved for the Group will be at least c20% on an annualised basis. In FY23 our result versus this metric was 56 (FY22: 59).

The loss before tax for FY23 was £(0.8)m (FY22: profit of £0.7m), reflecting the reduction in operating loss before interest and tax. Net finance expense increased to £0.14m (FY22: £0.05m) reflecting the partial utilisation of the Group's revolving loan facility towards funding the acquisition of Untie Nots, along with the higher interest rates seen during the Year.

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 recovery of taxable losses brought forward from prior years with more certainty which has resulted in an additional deferred tax asset of £1.6m, 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 £1.9m in FY23 (FY22: charge of £(0.1)m).

As a result, the Group's profit after taxation increased to £1.2m (FY22: £0.6m) and reported basic earnings per share improved to 4.25p (FY22: 2.12p) with diluted earnings per share of 3.79p (FY22: 1.86p).

No dividend is proposed this year (FY22: £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 £24.0m at 30 June 2023 (30 June 2022: £8.6m), including capitalised intellectual property of £5.3m (30 June 2022: £3.5m). The movement in net assets reflects the acquisition of Untie Nots along with improved EBITDA performance in the Year and the exercise of share options during the Year.

Current assets increased by £8.3m primarily due to revenue growth, aligned with an improvement in debtor days to 49 (FY22: 61 days) and higher EBITDA, generating cash in the Year, along with an increased current tax receivable, primarily due to the French R&D tax credit. Liabilities increased by £9.0m primarily due to increased deferred income arising from the treatment of billed revenue for new implementation fees and professional services under IFRS 15, along with higher bonus and commission accruals, reflecting the revenue and EBITDA growth in the period, the term debt acquired with Untie Nots which is used to manage Euro working capital requirements, and the deferred and contingent consideration due on the acquisition of Untie Nots.

Cash flow and net cash

The Group ended the Year with net cash of £9.3m (30 June 2022: £3.6m), exceeding the Board's prior expectations. Excluding costs associated with the acquisition of Untie Nots, the underlying net cash inflow for the Year was £7.0m (FY22: £2.8m). Overall net cash inflow for the Year was £5.7m.

The main components to the net cash inflow were:

- the operating cash inflow of £12.3m (FY22: £7.4m), reflecting the EBITDA profit (unadjusted for the acquisition of Untie Nots) of £7.5m (FY22: £6.5m), a working capital inflow of £3.9m (FY22: £1.5m outflow) and net tax receipts of £0.9m (FY22: net payments of £0.6m). The £2.4m improvement in working capital primarily arose as a result of increased income deferred under IFRS 15 and enhanced focus on reducing debtor days;
- net proceeds from the issue of equity during the Year, primarily in relation to the acquisition of Untie Nots, of £7.1m;
- offset by capital investment in the AIR platform and other infrastructure of £2.6m (FY22: £2.4m), as well as contract costs capitalised under IFRS 15 of £2.8m (FY22: £2.7m);
- payments in respect of leases of £0.2m (FY22: £0.1m); and
- £6.3m consideration and costs paid for the acquisition of Untie Nots, net of cash and debt acquired.

Banking facility

The Group has remained comfortably within its banking covenants which relate to the Group's debt ratio and adjusted EBITDA performance. During the Year, the Group's primary banker at the time, Silicon Valley Bank, encountered financial difficulties and US financial regulators closed SVB US, subsequently selling it to First Citizens Bank, while SVB UK was purchased by HSBC and subsequently renamed HSBC Innovation Bank. As a result of successful mitigating actions at the time, the Group maintained access to sufficient liquidity to support the Group's ongoing working capital requirements and to deliver the Group's stated growth strategy throughout the period of uncertainty. Following the respective acquisitions, no Eagle Eye funds were at risk of loss. However, the Group has subsequently revised its treasury policy such that exposure to the failure of one bank is minimised.

In light of the economic environment, and our increasingly global customer base, we have taken the step of hedging elements of our foreign currency net receipts to ensure that the Group is protected from significant and sudden adverse movements in foreign currency exchange rates. There were no open hedges at 30 June 2023 (30 June 2022: none).

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. 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 (FY22: £3.6m) and the £4.0m undrawn portion of its £5.0m facility (FY22: £5.0m undrawn), less £0.3m debt of Untie Nots, gives the Group £14.3m of headroom, which, allied to growing levels of profitability and organic cash generation, the Directors believe is sufficient to support the Group's current organic growth plans.

Lucy Sharman-Munday
Chief Financial Officer

PRINCIPAL RISKS AND UNCERTAINTIES

Evolution of the market

Description

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

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

Mitigation

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

Technological changes could overtake the products being developed by the Group

Description

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

Mitigation

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

Protection of intellectual property

Description

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

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

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Protection of intellectual property continued

Description

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

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

Mitigation

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

Product risk

Description

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

Mitigation

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

Infrastructure risk

Description

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

Mitigation

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

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Reliance on key suppliers

Description

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

Mitigation

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

Online security breaches, data loss and fraud

Description

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

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

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

Mitigation

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

Dependence on key customers and sectors

Description

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

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

Mitigation

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

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Employee recruitment and retention

Description

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

Mitigation

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

Changes in applicable laws and regulations

Description

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

Mitigation

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

Exchange rate risk

Description

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

Mitigation

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

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Integration of acquisitions

Description

During the year, the Group acquired Untie Nots, a rapidly growing SaaS company enabling retailers to deliver AI-powered, personalised challenges to customers at scale. Although a positive start has been made to the integration of the Untie Nots business into the wider Group, focus on the integration may divert efforts and attention of the Group's key management and other personnel and resources.

Mitigation

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

Employee involvement

Description

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

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

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

The Group's Section 172 report can be found on pages 46 to 47

By order of the board

James Esson
Company Secretary

5 New Street Square
London
EC4A 3TW
18 September 2023

BOARD OF DIRECTORS

Malcolm Wall

Non Executive Chairman – A R

Malcolm joined the Group as a Non-executive Director in 2014, taking the role of Chairman in September 2016. He was previously CEO, and then advisor to the board, of Abu Dhabi Media Company. He is also the former Chief Executive, Content for Virgin Media where he ran Virgin's television proposition, the Virgin Media portal and their television channel groups. Malcolm joined Virgin from United Business Media, where he was Chief Operating Officer. He has also worked in senior executive roles for a number of ITV companies, including Granada, Anglia and Southern. Malcolm is currently Chairman of Dock10 Limited, River Media Partners Ltd and the Harlequin Foundation. He also sits on the Welsh Rugby Union and United Rugby Championship Boards.

Tim Mason

Chief Executive Officer

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

Steve Rothwell

Founder and Chief Information Officer

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

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

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

Lucy Sharman-Munday

Chief Financial Officer

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

BOARD OF DIRECTORS CONTINUED

Charlotte Stranner

Non Executive Director – A

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

Sir Terry Leahy

Non Executive Director

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

Robert Senior

Non Executive Director – R

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

Board Committee Membership

- A Audit Committee
- R Remuneration Committee

Principles of Corporate Governance

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

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

The Group's strategy is reviewed by the Board on an annual basis at a full day strategy event. The Group's strategy is to drive long-term value for shareholders, whilst addressing the risks highlighted on pages 34 to 38, from:

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

Seek to understand and meet shareholder needs and expectations

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

- Private investor sessions held twice per year for significant shareholders;
- Roadshows held twice per year for institutional investors;
- Annual event held covering general developments in the market and our business; and
- Equity analyst and sell-side briefings held throughout the year for broader investor insight.

Take into account wider stakeholder and social responsibilities and their implications for long-term success

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

- **Employees:** The Group operates a weekly video-conference 'town hall' for all employees that provides a business update and a forum to celebrate success and for employees to ask questions. There are also additional quarterly briefings to update employees on Company performance in the previous quarter and objectives for the next quarter. This is supplemented by an annual 'Company Week' which is attended by all employees, providing strategic direction and Company objectives for the year ahead, a look back at progress and performance in the year and a recognition of those employees who have best demonstrated the Group's values. As part of the Group's values, we encourage employees to 'get involved'. The Group's clubs and societies such as netball, golf, theatre and hackathons all provide opportunities to do good and benefit society. The Group also has a charity committee which is responsible for organising events and identifying opportunities where the Group and its employees can assist those in need. The Group has chosen 52 Lives as its partner charity, supporting employee efforts in raising funds through various events. The Group has encouraged the formation of Employee Resource Groups and these include: mental health first aiders who are responsible for encouraging employee wellbeing and others promoting racial diversity and equality (our 'Purple Women' and 'Purple Pride' groups).

Principles of Corporate Governance continued

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

Embed effective risk management, considering both opportunities and threats, throughout the organisation

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

Although, no system of internal control can completely eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss, the Group's controls are designed to provide reasonable assurance over the reliability of financial information and the Group's assets.

The key controls are as follows:

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

The Group's principal risks and uncertainties are set out on pages 34 to 38

There is currently no internal audit function as the Board and Audit Committee considers that given the Group's current stage of development it is not necessary, but this will be reviewed annually as the Group evolves.

Principles of Corporate Governance continued

Maintain the Board as a well-functioning, balanced team led by the Chair and ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities

The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities is set out on page 61 and the interests and experience of the Board are set out on pages 39 to 40. The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered.

The Board recognises that having a diverse Board with a blend of genders, skills, experiences, perspectives, ages and other characteristics leads to a more robust understanding of, and challenge of, opportunities, issues and risks and as a result, more informed decision making.

The Board comprises of the Non-Executive Chairman, who was independent at the time of appointment, three Executive Directors and three other Non-Executive Directors. Of the Non-Executive Directors, the Board considered three to be independent Directors (Robert Senior, Malcolm Wall and Charlotte Stranner). The Non-Executive Directors have retail, media, advertising and technology business expertise.

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

The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress towards its goals. Each year, the Non-Executive Directors are required to attend 9–12 Board and Board committee meetings as well as a whole day offsite strategy session, which helps to shape the Group's strategy for the coming year and beyond.

Board Committees

The Board has two Committees with clearly defined terms of reference which are set by the Board. The role, work and members of the Committees are outlined on page 45.

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

	Board meetings		Audit Committee		Remuneration Committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Tim Mason	12	12	–	–	–	–
Steve Rothwell	12	11	–	–	–	–
Lucy Sharman-Munday	12	12	–	–	–	–
Bill Currie	8	8	2	2	–	–
Sir Terry Leahy	12	8	–	–	–	–
Robert Senior	12	10	–	–	4	4
Malcolm Wall	12	12	2	1	4	4
Charlotte Stranner	2	2	–	–	–	–

Principles of Corporate Governance continued

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

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

The Board carries out an annual 360° Board assessment that assesses the objectives, strategy and remit of the Board, performance management, risk management and the experience, skills and capabilities of the Directors to manage the business. This assessment is owned by the Chairman who uses the feedback to improve reporting processes and oversight. The executive leadership team has objectives that are fed from the Group's annual strategy session. Appraisals are held quarterly and are discussed at the Remuneration Committee.

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

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

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

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

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

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

In addition to the Board and its committees referred to under "Maintain the Board as a well-functioning, balanced team led by the Chair and ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities" and set out in more detail below, the Group operates a number of sub-boards, each of which has a Chairman and an Executive Director sponsor and are attended by a wider cross-section of key senior managers from across the business.

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

Principles of Corporate Governance continued

Remuneration Committee

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

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

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

Audit Committee

The Audit Committee is chaired by Charlotte Stranner, who took over from Bill Currie during the year, and consists of two Non-Executive Directors, Charlotte Stranner and Malcolm Wall.

The Audit Committee meets formally not less than twice every year and otherwise as required. The external auditors are invited to each meeting and the Chief Executive Officer and Chief Financial Officer (together with members of the finance team as appropriate) attend by invitation.

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

In fulfilment of these objectives the Committee:

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

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

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

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

SECTION 172 STATEMENT

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

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

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

Stakeholders	How we engage	Significant events
Employees	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 41 of the Corporate Governance Statement.	Following Covid-19, we moved to a 'virtual first' method of working, allowing employees more flexibility in where they work from, whilst monitoring output to ensure appropriate levels of productivity. We also hold an annual company conference allowing our teams from around the world to gather in person. Management have maintained high levels of communication to employees to keep them abreast of Company updates. Employee driven initiatives to look after the wellbeing of our staff include a variety of Employee Resource Groups covering mental health, 'Purple Pride' and 'Purple Women', making Eagle Eye a great place to work for women. We were delighted to retain our 'World Class' recognition by Best Companies.
Shareholders	See "Seek to understand and meet shareholder needs and expectations" on page 41 of the Corporate Governance Statement.	The Group holds face to face and video conferencing meetings to communicate with shareholders and interim and preliminary results presentations are recorded and published on the website. The business continues to review and revise its objectives on a quarterly basis, which is shared with the Board, to address the rapidly changing environment in which the Group operates and to ensure that investment is made where it will have the biggest return.

SECTION 172 STATEMENT CONTINUED

Stakeholders	How we engage	Significant events
Customers	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 41 of the Corporate Governance Statement.	Retailers' move to digital has continued and our customers need a relevant digital marketing solution. Therefore we continue to invest c15% of our revenue into the product in order to maximise value for our customers.
Suppliers	See "Take into account wider stakeholder and social responsibilities and their implications for long-term success" on page 41 of the Corporate Governance Statement.	Our supplier code of conduct continues to ensure our key suppliers operate with an appropriate level of social and environmental care.
Community	The Group has a Charity Committee which is responsible for organising events and identifying opportunities where the Group and its employees can assist those in need. The Group engages with its landlords and neighbouring businesses to address local issues and share successes.	We continued to partner with 52 Lives during the Year, a charity built around the concept of 'kindness' who find people who need help and then deliver it. The funds raised in our partnership have continued to exceed our expectations, allowing more people to benefit.

Directors’ remuneration policy

The Group’s remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Group’s business strategy in order to optimise long-term shareholder value. It is the intention that this policy should conform to best practice standards and that it will continue to apply for 2023 and subsequent years, subject to ongoing review as appropriate.

The policy is framed around the following key principles:

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

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

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

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

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

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

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

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

Executive Directors' remuneration for 2023

2023 base salaries

The Executive Directors' base salaries were increased in the year effective from 1 January 2023 by an average 12.15%. Salary is considered as well as the overall remuneration packages of the Executive Directors, their relative responsibilities and the performance of the Group during the previous 12 months.

	Salary 1 January 2022 £000	Salary 1 January 2023 £000
Tim Mason	368	414
Steve Rothwell	213	245
Lucy Sharman-Munday	213	245

2023 Annual bonus

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

The revenue target range was between £35.4m and £40.8m; the outturn being £40.9m and the EBITDA target range between £7.1m and £8.2m with the outturn being £8.7m, excluding the contribution of Untie Nots. This resulted in a combined payout of 75% (out of a maximum of 75%) for all Executive Directors. Personal objectives are set and monitored on a quarterly basis. These are based both on KPIs and objectives linked to the strategic focus of the business in the areas of responsibility for each Director.

Executive Directors' remuneration for 2023 continued

The total bonus payable to the Executive Directors in respect of both the financial (revenue and EBITDA) and personal objective performance in FY23 was determined as set out below:

	Maximum performance	Actual performance	Actual bonus payable
Tim Mason	100% of salary payable	99% of salary payable	£409,509
Steve Rothwell	100% of salary payable	100% of salary payable	£244,672
Lucy Sharman-Munday	100% of salary payable	100% of salary payable	£244,672

LTIP awards granted in FY2023

FY25 performance

On 4 April 2023 LTIP awards were granted as nominal cost options under the Eagle Eye LTIP Share Option Scheme to the Executive Directors subject to the following performance targets to be met during the performance period of three financial years ending 30 June 2025.

FY25 Performance targets for FY23 LTIP awards

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

1. There is linear vesting in between each of the vesting points.
2. The Committee may scale back the level of vesting if it considers at the time of vesting that the formulaic level of vesting does not reflect the overall underlying performance of the Company or investor experience taking into account, among other matters, share price.
3. There was no award made for superstretch performance following the issue of the Growth Plan.

LTIP awards granted in FY2023 continued

Growth Plan

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

	Hurdle 1	Hurdle 2	Hurdle 3	Maximum
Hurdle Eagle Eye share price	855.0p	1,198.0p	1,711.0p	3,422.0p
Implied market cap[2]	£250m	£350m	£500m	£1.0bn
% of value created available for distribution	3%	4%	5%	5%
Cumulative award size as at the date of the performance condition being achieved[1]	£2.5m	£7.3m	£16.7m	£41.7m
Implied shareholder value created over term of plan	£83.4m	£183.4m	£333.4m	£833.4m
Cumulative dilution[1,2]	1.0%	2.1%	3.2%	4.0%

1. Assuming all vested shares are awarded and subsisting.
2. Calculated using the hurdle Eagle Eye share price based on Eagle Eye's current issued share capital.

Awards under the Growth Plan of B shares have been made to the following Directors for £0.001 per B share as follows:

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

LTIP awards granted in FY2023 continued

FY23 performance

On 4 April 2023, further LTIP awards were granted as nominal cost options under the Eagle Eye LTIP Share Option Scheme to the Executive Directors in regard to the FY21 LTIP awards with performance period ending in FY23. At date of grant in FY21 the LTIP award had a value of 100% of the salary at that time, linked to the achievement of the stretch target performance. At the date of grant of that LTIP as previously disclosed the Company also set super-stretch performance targets but to manage dilution through share awards, the Company had the option to satisfy super-stretch performance with either cash or shares. The Company has chosen to satisfy super-stretch performance via the grant of further LTIP options based on performance targets set out below:

FY23 Performance targets for FY23 LTIP awards

Performance measures	Threshold vesting	Super-stretch vesting
	0% of salary (0% of max)	50% of salary (100% of max)
Revenue – 50% of award	£33.3m	£35.3m
Adjusted EBITDA – 50% of award	£6.7m	£7.1m

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

LTIP awards with performance period ending in FY23

The LTIP awards granted in 2021 as nominal cost options, along with the super-stretch LTIP awards granted in 2023 with performance period ending in FY23 will vest as set out in the table below, to the extent the targets set were met during the performance period of three financial years ending 30 June 2023.

Performance targets	Threshold performance	Target performance	Stretch performance	Superstretch performance	Actual performance	% of award vesting
Revenue (50% of award)	£29.6m	£31.4m	£33.3m	£35.3m	£40.9m	50%
Adjusted EBITDA (50% of award)	£5.8m	£6.3m	£6.7m	£7.1m	£8.7m	50%

	Date of grant	Maximum number of shares	Number of shares vesting	Total value of LTIP award vesting[1]
Tim Mason	8 April 2021	142,662	142,662	£780,540
Steve Rothwell	8 April 2021	82,412	82,412	£450,897
Lucy Sharman-Munday	8 April 2021	82,412	82,412	£450,897
Tim Mason	4 April 2023	71,331	71,331	£390,270
Steve Rothwell	4 April 2023	41,206	41,206	£225,448
Lucy Sharman-Munday	4 April 2023	41,206	41,206	£225,448

1. Value of award uses three-month average share price to 30 June 2023 of £5.481 and nominal cost exercise price of £0.01 per share as the share price on the actual date of vesting is not known.

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

Outstanding LTIP awards

	FY	Date of grant	Type of award	Number of shares granted	Exercise price £	Vested during the year	Exercised during the year	Lapsed during the year	Vested unexercised	Total 30 June 2023	Performance period ends
Tim Mason	2016	4 January 2016	LTIP	443,165	0.01	–	–	–	334,470	334,470	N/A
	2017	21 September 2016	LTIP appointment award	221,388	0.01	–	–	–	153,606	153,606	N/A
	2018	9 November 2017	LTIP appointment award	221,679	0.01	–	–	–	153,808	153,808	N/A
	2018	9 November 2017	LTIP	83,871	0.01	–	–	–	62,408	62,408	N/A
	2019	8 January 2019	LTIP appointment award	221,679	0.01	–	–	–	221,679	221,679	N/A
	2019	8 January 2019	LTIP	472,500	0.01	–	–	–	240,345	240,345	N/A
	2020	13 February 2020	LTIP	188,775	0.01	188,775	–	–	188,775	188,775	N/A
	2021	8 April 2021	LTIP	142,662	0.01	–	–	–	–	142,662	30 June 2023
	2022	8 February 2022	LTIP	64,547	0.01	–	–	–	–	64,547	30 June 2024
	2023	4 April 2023	LTIP	138,174	0.01	–	–	–	–	138,174	30 June 2025
						188,775	–	–	1,355,091	1,700,474	
Steve Rothwell	2017	21 September 2016	LTIP	96,242	0.01	–	61,497	–	–	–	N/A
	2018	9 November 2017	LTIP	47,527	0.01	–	35,365	–	–	–	N/A
	2019	8 January 2019	LTIP	267,750	0.01	–	119,971	–	16,225	16,225	N/A
	2020	13 February 2020	LTIP	109,050	0.01	109,050	38,167	–	70,883	70,883	N/A
	2021	8 April 2021	LTIP	82,412	0.01	–	–	–	–	82,412	30 June 2023
	2022	8 February 2022	LTIP	37,287	0.01	–	–	–	–	37,287	30 June 2024
	2023	4 April 2023	LTIP	79,819	0.01	–	–	–	–	79,819	30 June 2025
						109,050	255,000	–	87,108	286,626	

Outstanding LTIP awards continued

	FY	Date of grant	Type of award	Number of shares granted	Exercise price £	Vested during the year	Exercised during the year	Lapsed during the year	Vested unexercised	Total 30 June 2023	Performance period ends
Lucy Sharman-Munday	2015	17 July 2014	EMI	62,500	1.55	–	7,500	–	–	–	N/A
	2015	3 November 2014	EMI	62,500	1.55	–	62,500	–	–	–	N/A
	2016	12 January 2016	LTIP	39,383	0.01	–	–	–	39,383	39,383	N/A
	2017	21 September 2016	LTIP	91,582	0.01	–	–	–	58,520	58,520	N/A
	2018	9 November 2017	LTIP	47,527	0.01	–	–	–	35,365	35,365	N/A
	2019	8 January 2019	LTIP	267,750	0.01	–	–	–	136,196	136,196	N/A
	2020	13 February 2020	LTIP	109,050	0.01	109,050	–	–	109,050	109,050	N/A
	2021	8 April 2021	LTIP	82,412	0.01	–	–	–	–	82,412	30 June 2023
	2022	8 February 2022	LTIP	37,287	0.01	–	–	–	–	37,287	30 June 2024
	2023	4 April 2023	LTIP	79,819	0.01	–	–	–	–	79,819	30 June 2025
						109,050	70,000	–	378,514	578,032	

Performance targets for LTIP awards granted in FY22 with performance period ending in FY24

Performance measures	Threshold vesting	Target vesting	Stretch vesting	Super Stretch vesting
	35% of salary (23.3% of max)	62.5% of salary (41.6% of max)	100% of salary (66.6% of max)	150% of salary
Revenue – 50% of award	£34.5m	£37.8m	£41.1m	£44.4m
Adjusted EBITDA – 50% of award	£6.9m	£7.6m	£8.2m	£8.9m

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

Company Chairman and Non-Executive Directors

The Non-Executive Directors' fees were reviewed with effect from 1 January 2023 with no changes being made. The fee for the Company Chairman was held at £60,000, the Non-Executive Directors' base fee at £30,000 with additional fees for chairing the Remuneration Committee and Audit Committee at £5,000.

Total Directors' Remuneration

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

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

1 The annual bonus shown in the table above for FY23 is in respect of performance for FY23 (and is paid in FY24).

2 Benefits represent allowances payable, including car allowance.

Total Directors' Remuneration continued

30 June 2022	Salary and fees £000	Annual bonus[1] £000	Other benefits[2] £000	Pension £000	Long term incentive gains £000	Total £000
Tim Mason	356	368	16	–	–	740
Steve Rothwell	206	212	–	9	1,130	1,557
Lucy Sharman-Munday	207	213	19	6	–	445
Malcolm Wall	60	–	–	–	–	60
Robert Senior	35	–	–	–	–	35
Terry Leahy	30	–	–	–	–	30
Bill Currie	35	–	–	–	–	35
	929	793	35	15	1,130	2,902

1 The annual bonus shown for FY22 is in respect of performance for FY22 and was paid in FY23.

2 Benefits represent allowances payable, including car allowance.

Application of remuneration policy for FY24

Base salaries

The Executive Directors base salaries will be reviewed by the Remuneration Committee during the course of the year with any increases effective from 1 January 2024.

Annual bonus

The Executive Directors annual bonus opportunity will follow the same format as FY23 with a maximum annual bonus opportunity of 100% of salary with performance measured both on personal objectives linked to the strategic direction of the business (maximum opportunity 25% of annual salary) and revenue and EBITDA achievement (maximum opportunity 75% of annual salary, split equally between revenue and EBITDA). The combined target bonus opportunity is 50% of salary. The delta between the target (50%) and the maximum (100%) represents the stretch target.

LTIP awards

The Committee intends to grant LTIP awards to the Executive Directors over shares with a value equivalent to up to 150% of salary, subject to achievement of stretching Revenue and EBITDA targets measured over three financial years to 30 June 2026. The targets will be determined prior to awards being granted and will be disclosed in the FY24 Remuneration Report.

Company Chairman and Non-Executive Directors

The fees for the Company Chairman and Non-Executive Directors will be reviewed during the course of the year with any increases effective from 1 January 2024.

Shares held by Directors

	Beneficially owned shares 30 June 2022	Beneficially owned shares 30 June 2023	Unvested subject to performance targets 30 June 2022	Unvested subject to performance targets 30 June 2023	Vested unexercised 30 June 2022	Vested unexercised 30 June 2023
Tim Mason	318,534	328,534	395,984	415,383	1,166,316	1,355,091
Steve Rothwell	1,355,913	1,355,913	228,749	199,518	233,058	87,108
Lucy Sharman-Munday	39,982	92,572	228,749	199,518	339,464	378,514
Malcolm Wall	37,529	41,132	–	–	–	–
Robert Senior	27,190	31,694	–	–	–	–
Bill Currie	3,413,322	–	–	–	–	–
Terry Leahy	2,420,970	2,457,006	–	–	–	–
Charlotte Stranner	–	–	–	–	–	–

DIRECTORS' REPORT

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 30 June 2023.

Principal activities, business review and future developments

The principal activity of the Group is enabling businesses to create digital connections enabling personalised real-time marketing, through the provision of its marketing technology software as a service solution. The review of the business performance and future developments, including those since the end of the year ended 30 June 2023, are set out in the Strategic Report on pages 9 to 38.

Corporate status

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

Directors

Tim Mason

Steve Rothwell

Lucy Sharman-Munday

Bill Currie (resigned 14 March 2023)

Sir Terry Leahy

Robert Senior

Charlotte Stranner (appointed 15 May 2023)

Malcolm Wall

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

The market price of the Company's shares at the end of the financial year was £5.15 and the range of the market price during the year was between £5.01 and £6.05.

Substantial shareholdings

At 18 September 2023, the Directors have been notified of the following beneficial interests in excess of 3% of the issued share capital of the Company (excluding those shares held in treasury).

	Total shares	%
Canaccord	5,197,556	17.76
Sir Terry Leahy *	2,457,006	8.40
Liontrust	2,093,015	7.15
Andrew Sutcliffe *	1,593,133	5.45
Bill Currie *	1,434,560	4.90
Julian Reiter	1,360,029	4.65
Steve Rothwell	1,355,913	4.63
Christopher Gorell Barnes	1,344,866	4.60

* Includes shares held by family members.

Research and development

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

Risk management objectives and policies

Details of the Group's financial risk management objectives and policies are set out in Note 16 of the consolidated financial statements. The key non-financial risks that the Group faces are set out on pages 34 to 38 of the Strategic Report.

Related party transactions

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

Dividends

The Directors do not recommend the payment of a dividend (2022: £nil).

Strategic report

The Company has chosen in accordance with Companies Act 2006, section 414C (11) to set out in the Company's Strategic Report on pages 9 to 38 information required to be contained in the Directors' Report by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7, where not already disclosed in the Directors' Report.

Events after the reporting period

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

Statement as to disclosure of information to the auditor

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

Auditor

RSM UK Audit LLP were appointed for the year ended 30 June 2023 and have indicated their willingness to continue in office.

By order of the board

James Esson
Company Secretary

5 New Street Square
London
EC4A 3TW

18 September 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

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

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

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

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

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

Opinion

We have audited the financial statements of Eagle Eye Solutions Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise consolidated statement of profit or loss and total comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Revenue recognition • Acquisition accounting No key audit matters are identified in respect of the parent company
Materiality	**Group** • Overall materiality: £451k (2022: £362k) • Performance materiality: £338k (2022: £271k) **Parent Company** • Overall materiality: £45k (2022: £52k) • Performance materiality: £33.7k (2022: £39k)
Scope	Our audit procedures covered 93% of revenue, 96% of total assets

Key audit matters

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

Key audit matters continued

Revenue recognition

Key audit matter description	*(Refer to page 75 regarding the accounting policy in respect of revenue recognition, page 81 in respect of critical judgements and estimates applied by the Directors and note 3 to the financial statements on page 82).* Appropriate and accurate revenue recognition in accordance with the requirements of IFRS 15 "Revenue from Contracts with Customers" is required to be applied by the Directors to ensure that revenue is fairly stated in the financial statements. There are risks that customer contracts and the inherent performance obligations and their transaction prices are not appropriately identified and/or that revenue recognised in the period does not reflect the stage of service delivery. These risks could result in material errors in the revenue recognised. The audit team itself also spent considerable time and effort to obtain sufficient evidence over this area. As such revenue recognition considered a key audit matter.
How the matter was addressed in the audit	We have performed detailed testing on revenue taking into consideration the required revenue recognition for different contract performance obligations. A sample of sales recognised in the period were compared to the underlying contracts and sales invoices. The revenue recognised was then evaluated with regard to the terms in the contracts, the completed performance obligations and the invoiced amounts to determine if/whether it had been recognised in line with the Group's accounting policies and the requirements of IFRS 15. The recognition and measurement of accrued and deferred income applying the principles of IFRS 15 and the group's accounting policies was considered and tested as was the treatment of sales commissions and set-up costs to determine whether they had been treated appropriately. Significant modifications to existing contracts were separately reviewed to determine if revenue recognition was in accordance with IFRS 15 as per the Group's stated accounting policies. Data analytics testing was utilised to identify any transactions that did not fall into the expected sales cycle. This covered 100% of transactions affecting the relevant sales cycle. We tested the completeness of revenue by carrying out a reperformance of the monthly reconciliations that occur between the sales reporting system (Salesforce) and the secured revenue spreadsheet, and also traced through a sample of opportunities from Salesforce back to the revenue listing.
Key observations	The distinction as to the nature of development services and resulting conclusion as to whether a separate performance obligation exists in relation to these services is noted as a key judgement as disclosed on page 81.

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

Key audit matters continued

Business combinations

Key audit matter description	*(Refer to page 76 regarding the accounting policy in respect of recognition of goodwill arising on business combinations and page 77 regarding recognition of acquired intangible assets.)* There has been one acquisition within the period being audited. The fair values assigned to the net assets at the acquisition date, particularly the fair values assigned to separately identifiable intangibles, requires a significant degree of management estimation and judgement. Furthermore, the acquisitions have elements of deferred consideration and contingent consideration. The recognition of which requires significant estimations and assumptions from management.
How the matter was addressed in the audit	The fair value assigned to net assets as at the acquisition date and the assumptions used within the valuation of these assets have been scrutinised to determine whether they are reasonable. Assumptions in relation to deferred consideration and contingent consideration recognised have been assessed to determine whether they have been reflected in the workings at an appropriate value within the recognition of each acquisition. In respect of the contingent consideration, sensitivities were applied to the key assumptions in the model. No sensitivities applied resulted in a material movement in the contingent consideration valuation. As part of the assessment, we engaged our internal valuations expert to evaluate the reasonableness of the model adopted.

Our application of materiality

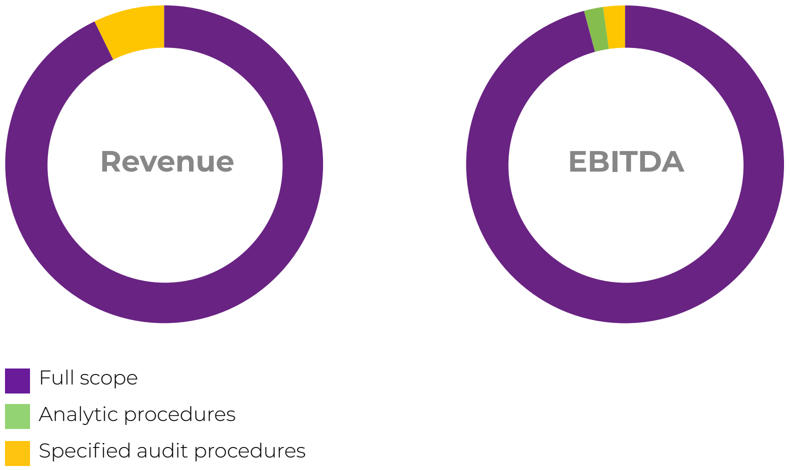
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the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

	Group	Parent company
Overall materiality	£451k (2022: £362k)	£45k (2022: £52k)
Basis for determining overall materiality	6% of EBITDA	1% of total assets (Restricted to £45k)
Rationale for benchmark applied	EBITDA is considered to be the key indication of the performance of the business by its major stakeholders	Total assets in the non-trading parent company is considered to be the key indication of the value of trading subsidiary companies
Performance materiality	£338k (2022: £271k)	£33.7k (2022: £39k)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £22,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £2,250 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Below Eagle Eye Solutions Group Plc, sit 8 components. Three are based in the UK, two are based in North America, two in Australasia and one in France.

The coverage achieved by our audit procedures was:



Full scope statutory audits were performed for two components, full scope component audits were performed on three components, specified procedures on revenue were performed on one component and analytical procedures at group level for the remaining 3 components.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

The most significant laws and regulations were determined as follows:

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

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

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

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

Use of our report

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

ALASTAIR JOHN RICHARD NUTTALL (Senior Statutory Auditor)

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

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

18 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND TOTAL COMPREHENSIVE INCOME
for the year ended 30 June 2023

	Notes	2023 £000	2022 £000
Continuing operations			
Revenue	3	43,074	31,667
Cost of sales		(2,091)	(2,037)
Gross profit		40,983	29,630
Operating expenses		(41,725)	(28,896)
Other income		122	–
Adjusted EBITDA[1]		8,789	6,476
Acquisition costs		(1,298)	–
Share-based payment charge		(2,426)	(1,851)
Depreciation and amortisation		(5,685)	(3,891)
Operating (loss)/profit	4	(620)	734
Finance income	6	30	1
Finance expense	6	(170)	(50)
(Loss)/profit before taxation		(760)	685
Taxation	7	1,948	(131)
Profit after taxation for the financial year		1,188	554
Foreign exchange adjustments		(410)	582
Total comprehensive profit attributable to the owners of the Parent for the financial year		778	1,136

	Notes	2023 £000	2022 £000
Earnings per share from continuing operations			
Basic	8	4.25p	2.12p
Diluted	8	3.79p	1.86p

1 Adjusted EBITDA excludes share-based payment charge, depreciation and amortisation from the measure of profit. 2023 EBITDA figure has also been adjusted to exclude costs associated with the acquisition of Untie Nots.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	Notes	2023 £000	2022 £000
Non-current assets			
Intangible assets	9	19,458	6,663
Contract fulfilment costs	10	2,562	1,433
Property, plant and equipment	11	1,444	684
Deferred taxation	15	1,626	131
		25,090	8,911
Current assets			
Trade and other receivables	12	11,085	9,853
Current tax receivable		762	718
Cash and cash equivalents	16	10,615	3,632
		22,462	14,203
Total assets		47,552	23,114
Current liabilities			
Trade and other payables	13	(17,338)	(12,185)
Current tax payable		(74)	–
Financial liabilities	14	(1,102)	–
		(18,514)	(12,185)
Non-current liabilities			
Other payables	13	(4,801)	(2,362)
Financial liabilities	14	(197)	–
		(4,998)	(2,362)
Total liabilities		(23,512)	(14,547)
Net assets		24,040	8,567

	Notes	2023 £000	2022 £000
Equity attributable to owners of the Parent			
Share capital	17	293	264
Share premium	17	29,925	17,685
Merger reserve	17	3,278	3,278
Share option reserve		7,291	5,549
Retained losses		(16,747)	(18,209)
Total equity		24,040	8,567

These financial statements were approved by the Board on 18 September 2023 and signed on its behalf by:

L Sharman-Munday
Director

T Mason
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Share capital £000	Share premium £000	Merger reserve £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 1 July 2021	261	17,503	3,278	3,997	(19,644)	5,395
Profit for the financial year	–	–	–	–	554	554
Other comprehensive income						
Foreign exchange adjustments	–	–	–	–	582	582
	–	–	–	–	1,136	1,136
Transactions with owners recognised in equity						
Exercise of share options	3	182	–	–	–	185
Fair value of share options exercised in the year	–	–	–	(299)	299	–
Share-based payment charge	–	–	–	1,851	–	1,851
	3	182	–	1,552	299	2,036
Balance at 30 June 2022	264	17,685	3,278	5,549	(18,209)	8,567

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED
for the year ended 30 June 2023

	Share capital £000	Share premium £000	Merger reserve £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 30 June 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

Included in Retained losses is a cumulative foreign exchange profit of £103,000 (2022: profit £513,000).

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2023

	2023 £000	2022 £000
Cash flows from operating activities		
(Loss)/profit before taxation	(760)	685
Adjustments for:		
Depreciation	487	320
Amortisation	5,198	3,570
Share-based payment charge	2,426	1,851
Finance income	(30)	(1)
Finance expense	170	50
Increase in trade and other receivables	(3)	(3,659)
Increase in trade and other payables	3,850	5,155
Income tax paid	(56)	(785)
Income tax received	960	221
Net cash flows from operating activities	12,242	7,407
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(171)	(178)
Payments to acquire intangible assets and contract fulfilment costs	(5,444)	(4,943)
Acquisition of Untie Nots, net of cash and cash equivalents acquired	(6,347)	–
Net cash flows used in investing activities	(11,962)	(5,121)

	2023 £000	2022 £000
Cash flows from financing activities		
Net proceeds from issue of equity	7,097	185
Proceeds from borrowings	2,000	900
Repayment of borrowings	(1,627)	(1,800)
Capital payments in respect of leases	(217)	(185)
Interest paid in respect of leases	(31)	(29)
Interest received	4	1
Interest paid	(113)	(21)
Net cash flows from financing activities	7,113	(949)
Net increase in cash and cash equivalents in the year	7,393	1,337
Foreign exchange adjustments	(410)	582
Cash and cash equivalents at beginning of year	3,632	1,713
Cash and cash equivalents at end of year	10,615	3,632

1 Accounting policies

General information

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

Basis of preparation

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

Adjusted EBITDA (see Note 21) is presented in the income statement as the Directors consider this performance measure provides a more accurate indication of the underlying performance of the Group and is commonly used by City analysts and investors.

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

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

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2022 and not early adopted

The IASB and IFRIC have issued the following relevant standards and interpretations with effective dates as noted to the right.

Standard	Key requirements	Effective date (for annual periods beginning on or after)
IFRS 17, 'Insurance contracts' as amended in June 2020 by amendments to 'IFRS 17, Insurance Contracts'	The standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. No impact is expected on the results of the Group.	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	The standard introduces a new definition for accounting estimates. No impact is expected on the results of the Group.	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	The standard makes it clear that accounting policies governing material balances are not necessarily themselves material. Therefore the quantity of accounting policy disclosures may reduce.	1 January 2023
Amendments to IFRS 1 Presentation of Financial Statements	The standard clarifies that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. No impact is expected on the results of the Group.	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	The standard requires an entity to provide additional disclosures about its supplier finance arrangements. Therefore, the quantity of accounting policy disclosures may increase, although no impact is expected on the results of the Group.	1 January 2024

1 Accounting policies continued

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2022 and not early adopted continued

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

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 three years from 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.

Basis of consolidation

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

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

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

Foreign currencies

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

1 Accounting policies continued

Revenue recognition

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

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

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

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

1 Accounting policies continued

Cost of sales

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

Operating profit

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

Property, plant and equipment

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

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

Right of use assets	In line with term of lease
Computer equipment	Two to three years, straight-line
Office furniture and fittings	Three to five years, straight-line

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

Intangible assets

Goodwill

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

Costs to obtain contracts

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

Internally-generated development intangible assets

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

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

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

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

1 Accounting policies continued

Contract fulfilment costs

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

Acquired intangible assets

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

Impairment of non-current assets

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

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

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

Financial instruments

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

Financial assets

(a) Trade and other receivables

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

(b) Cash and cash equivalents

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

1 Accounting policies continued

Financial liabilities and equity

(c) Trade and other payables

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

(d) Borrowings

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

(e) Lease liabilities

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

(f) Equity instruments

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

Leases

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

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

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

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

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

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

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

Short term leases and leases of low-value assets

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

Employee benefits

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

1 Accounting policies continued

Current and deferred income tax

Current tax

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

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

Deferred tax

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

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

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

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

Share-based payments

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

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

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

Segment reporting

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

1 Accounting policies continued

Equity

Equity comprises the following:

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

2 Critical accounting estimates and judgements

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

Capitalisation of internally-generated intangible assets

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

Impairment of internally-generated intangible assets

The Group reviews the carrying value of its assets annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists a review of the recoverable value of the asset is performed. This review involves the use of judgement to consider the future projected income streams that will result from the aforementioned costs. The expected future cash flows are modelled and discounted over the estimated expected life of the assets in order to test for impairment. In the years represented in these consolidated financial statements no impairment charge was recognised as a result of these reviews. The carrying value of internally generated intangible assets at 30 June 2023 is £7.0 million (2022: £5.4 million).

Recognition of acquired intangible assets

Careful judgement by the Directors is applied when deciding whether the recognition requirements as defined within IFRS 3 Business Combinations have been met. As provided for under IFRS 3, the fair value adjustments arising on acquisition, including the recognition of acquired intangible assets, are provisional at this time. The carrying value of acquired intangible assets at 30 June 2023 is £8.9 million (2022: £nil).

2 Critical accounting estimates and judgements continued

Impairment of goodwill

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

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

The actual cash flows may be different from the Directors' estimates, which could impact the carrying value of the goodwill and therefore operating results negatively. The carrying value of goodwill at 30 June 2023 is £6.1 million (2022: £2.7 million).

Revenue recognition

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

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

Revenue related to implementation services in the year to 30 June 2023 was £8,563,000 (2022: £7,645,000). Once a service is live for a client there is generally only one performance obligation – the provision of the SaaS solution. This meets the criteria to be recognised over time and, because the SaaS solution should be provided on a continuing basis, the Directors have exercised their judgement that it is appropriate to recognise this revenue on a straight-line basis, reflecting the passage of time.

Contract costs

Costs associated with winning new contracts, such as sales commission for the Group's 'Win' sales team, are capitalised within intangible assets and amortised over the longer of the contract period or the expected term of the client relationship, where significant further costs are not expected to be incurred for renewal. Costs associated with implementation of the Group's SaaS solution are capitalised as Contract fulfilment costs and amortised over the period of the performance obligation. The Directors exercise judgement in determining the costs to be capitalised and use estimates to determine the expected term of the client relationship. Contract costs capitalised in the year to 30 June 2023 were £2,839,000 (2022: £2,728,000).

Share-based payment charge

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

The total charge recognised in the year to 30 June 2023 is £2,426,000 (2022: £1,851,000). Further information on share options can be found in Note 18.

2 Critical accounting estimates and judgements continued

Deferred tax asset recognition

The Directors' judgement is required to determine the amount of tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. With the Group's increase in EBITDA and strong pipeline to promote further growth, a larger proportion of tax losses brought forward are now expected to be realisable and therefore in the judgement of the Directors meet the 'probable' definition criteria for an asset within IAS 12. The value of the unrecognised tax losses at 30 June 2023 was £12.0 million (2022: £20.5 million). The value of the deferred tax asset not recognised at 30 June 2023 was £3.0 million (2022: £5.1 million). During the year a deferred tax asset of £1,626,000 (2022: £131,000) was recognised for tax losses carried forward. Further information on the Group's deferred tax position can be found in Note 15.

3 Segmental analysis

The Group is organised into two principal operating divisions for management purposes. These reflect the organic Eagle Eye business and the newly acquired Untie Nots business. 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 Untie Nots.

	Organic 2023 £000	Untie Nots 2023 £000	Total 2023 £000	Organic & Total 2022 £000
Revenue	40,862	2,212	43,074	31,667
Cost of sales	(2,091)	–	(2,091)	(2,037)
Gross profit	38,771	2,212	40,983	29,630
Adjusted operating costs	(30,060)	(2,134)	(32,194)	(23,154)
Adjusted EBITDA	8,711	78	8,789	6,476

Revenue is analysed as follows:

Service	2023 £000	2022 £000
Development and set up fees	8,563	7,645
Subscription and transaction fees	34,511	24,022
	43,074	31,667

Product	2023 £000	2022 £000
AIR revenue	38,440	29,497
Untie Nots revenue	2,212	–
Messaging revenue	2,422	2,170
	43,074	31,667

Timing	2023 £000	2022 £000
Services transferred over time	43,074	31,667

In the year to 30 June 2023, revenue from two of the Group's customers represented more than 10% of the Group's revenue. Revenue related to those customers was £8,897,000, and £6,047,000 respectively. In the year to 30 June 2022, revenue from three of the Group's customers represented more than 10% of the Group's revenue. Revenue related to those customers was £5,917,000, £4,066,000 and £3,987,000 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Segmental analysis continued

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

	2023 £000	2022 £000
United Kingdom	16,076	16,458
United States	15,159	6,601
Canada	6,163	5,917
Australia	3,772	2,426
Rest of Europe	1,589	63
Rest of Asia Pacific	315	202
	43,074	31,667

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

The amount of revenue recognised in 2023 from performance obligations satisfied (or partially satisfied) in previous periods is £nil (2022: £nil).

Transaction price allocated to the remaining performance obligation

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

	2024 £000	2025 £000	2026 £000	Total £000
Development and set up fees	8,212	2,678	402	11,292
Subscription fees	31,471	5,381	1,650	38,502
	39,683	8,059	2,052	49,794

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

4 Operating (loss)/profit

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

	2023 £000	2022 £000
Depreciation of owned tangible assets	219	150
Depreciation of right of use assets	268	170
Amortisation of intangible assets	3,771	2,499
Amortisation of contract fulfilment costs	1,426	1,071
Net employee costs (see Note 5)	20,836	13,876
IT infrastructure costs	8,065	6,548
Expenses relating to short-term leases	243	191
Auditor's remuneration		
Audit of Parent and consolidated accounts	63	35
Audit of the Company's subsidiaries	67	45
Non-audit services		
Other non-audit services[1]	33	33
Research and development	677	466

1 Other non-audit services includes Sarbanes Oxley compliance costs of £33,000 (2022: £33,000).

5 Particulars of staff

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

	2023 No	2022 No
Product development	73	53
Operations	97	67
Sales and administration	52	42
	222	162

The aggregate payroll costs of these persons were:

	2023 £000	2022 £000
Wages and salaries	20,985	14,952
Share-based payment charge	2,426	1,851
Social security costs	2,154	1,557
Pension costs – defined contribution plan	715	459
	26,280	18,819
Less: amounts capitalised as intellectual property	(2,605)	(2,215)
Less: amounts capitalised as contract costs	(2,839)	(2,728)
	20,836	13,876

Key management remuneration

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

	2023 £000	2022 £000
Aggregate emoluments including short-term employee benefits	3,115	2,321
Share-based payment charge	1,968	1,546
Pension costs – defined contribution plan	46	35
Social security costs	419	412
	5,548	4,314

Directors' remuneration

Remuneration of Directors during the year was as follows:

	2023 £000	2022 £000
Aggregate emoluments including short-term employee benefits	2,008	1,757
Pension costs – defined contribution plan	20	15
	2,028	1,772

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

	2023 £000	2022 £000
Aggregate emoluments including short-term employee benefits	858	740

The remuneration of individual Directors is disclosed in the Remuneration Report on page 56. Retirement benefits are accruing to two (2022: two) Directors. Other than as stated in the Remuneration Report, there were no other share options exercised or gains made on exercise of share options by Directors during the year (2022: nil).

6 Finance income and expense

	2023 £000	2022 £000
Interest receivable on bank deposits	30	1

	2023 £000	2022 £000
Interest payable on facilities	139	21
Interest on lease liability	31	29
	170	50

7 Taxation

	2023 £000	2022 £000
Current tax		
UK Corporation tax at 19.00% (2022: 19.00%)	–	–
Overseas tax	(453)	460
Adjustments in respect of prior years	–	(319)
	(453)	141
Deferred tax		
In respect of current year	414	(171)
In respect of prior years	(1,909)	161
	(1,495)	(10)
Tax on (loss)/profit on ordinary activities	(1,948)	131

	2023 £000	2022 £000
Tax reconciliation		
(Loss)/profit before tax	(760)	685
Tax using UK corporation tax rate of 20.50% (2022: 19.00%)	(156)	130
Non-deductible expenses	260	17
Employee share acquisition relief	(629)	(249)
Share-based payments	498	352
Temporary timing differences	397	3
Overseas tax	(480)	(15)
Unrelieved tax losses	(1,749)	(277)
Change in deferred tax rate	(269)	(1)
Research and development tax credit claim	180	171
Tax on (loss)/profit on ordinary activities	(1,948)	131

8 Earnings per share

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

	2023			2022		
	Earnings per share pence	Profit £000	Weighted average number of ordinary shares	Earnings per share pence	Profit £000	Weighted average number of ordinary shares
Basic earnings per share	4.25	1,188	27,942,991	2.12	554	26,136,009
Diluted earnings per share	3.79	1,188	31,380,031	1.86	554	29,829,550

9 Intangible assets

	Goodwill £000	Costs to obtain contracts £000	Customer contracts £000	Intellectual property £000	Total £000
Cost					
At 1 July 2021	2,664	607	–	15,925	19,196
Additions	–	420	–	2,215	2,635
At 30 June 2022	2,664	1,027	–	18,140	21,831
Additions	–	284	–	2,605	2,889
Acquisitions	3,451	–	8,582	1,644	13,677
At 30 June 2023	6,115	1,311	8,582	22,389	38,397
Amortisation					
At 1 July 2021	–	388	–	12,281	12,669
Charge for the year	–	187	–	2,312	2,499
At 30 June 2022	–	575	–	14,593	15,168
Charge for the year	–	247	1,038	2,486	3,771
At 30 June 2023	–	822	1,038	17,079	18,939
Net book value					
At 30 June 2023	6,115	489	7,544	5,310	19,458
At 30 June 2022	2,664	452	–	3,547	6,663

9 Intangible assets continued

The Group's intellectual property relates to:

1) its internally developed AIR platform;

2) the acquired intellectual property of 2ergo Limited which consisted of a then stand-alone messaging platform and an app and customer interface loyalty solution, both of which have now been integrated within the AIR platform; and

3) the acquired intellectual property of Untie Nots SAS.

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

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

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

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

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

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

2022 Cash generating unit	Carrying value of goodwill £000	Period over which cash flows have been projected	Growth rate beyond management approved forecasts	Pre-tax discount rate for cash flow projections
UK	2,664	5 years	1.5-2.0%	12%

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

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

9 Intangible assets continued

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

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

10 Contract fulfilment costs

	2023 £000	2022 £000
At 1 July	1,433	196
Additions	2,555	2,308
Amortisation	(1,426)	(1,071)
At 30 June	2,562	1,433

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

11 Property, plant and equipment

	Right of use assets £000	Computer equipment £000	Office furniture and fittings £000	Intellectual property £000
Cost				
At 1 July 2021	1,497	703	311	2,511
Additions	–	178	–	178
Disposals	–	(7)	–	(7)
At 30 June 2022	1,497	874	311	2,682
Additions	853	171	–	1,024
Acquisitions	209	14	–	223
Disposals	(175)	(6)	–	(181)
At 30 June 2023	2,384	1,053	311	3,748
Depreciation				
Al 1 July 2021	881	516	288	1,685
Charge for the year	170	140	10	320
Disposals	–	(7)	–	(7)
At 30 June 2022	1,051	649	298	1,998
Charge for the year	268	210	9	487
Disposals	(175)	(6)	–	(181)
At 30 June 2023	1,144	853	307	2,304
Net book value				
At 30 June 2023	1,240	200	4	1,444
At 30 June 2022	446	225	13	684

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

12 Trade and other receivables

	2023 £000	2022 £000
Trade receivables	7,716	7,732
Less: Provision for expected credit losses	(173)	(158)
	7,543	7,574
Prepayments	1,378	1,022
Accrued income	1,315	802
Other assets	849	455
	11,085	9,853

The ageing of trade receivables that were not impaired at 30 June 2023 was:

	2023 £000	2022 £000
Not past due	7,358	7,050
Up to 3 months past due	38	524
More than 3 months past due	147	–
	7,543	7,574

Accrued income and other receivables are not past due (2022: not past due).

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

As at 30 June 2023, trade receivables of £173,000 (2022: £158,000) were impaired and provided for. £167,000 of these were more than three months old (2022: £158,000 more than three months old). The amount of the provision was £173,000 as at 30 June 2023 (2022: £158,000). Movements on the provision for impairment of trade receivables are as follows:

	2023 £000	2022 £000
At 1 July	158	127
Provision for expected credit losses charged	15	31
At 30 June	173	158

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

12 Trade and other receivables continued

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

	2023 £000	2022 £000
At 1 July	802	443
Transfers from accrued income recognised at the beginning of the period to receivables	(802)	(443)
Increases as a result of progress made against performance obligations, excluding amounts invoiced during the year	1,315	802
At 30 June	1,315	802

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

	2023 £000	2022 £000
Sterling	4,708	4,685
Canadian Dollars	820	1,791
Australian Dollars	221	492
US Dollars	3,767	2,885
New Zealand Dollars	3	–
Euros	1,566	–
	11,085	9,853

13 Trade and other payables

	2023 £000	2022 £000
Current		
Trade payables	3,212	2,509
Accruals	7,034	5,915
Lease liabilities	491	194
Deferred income	4,154	2,079
Other liabilities	1,793	1,488
Deferred consideration on acquisition of Untie Nots SAS	654	–
	17,338	12,185
Non-current		
Lease liabilities	805	324
Deferred income	2,670	2,038
Contingent consideration on acquisition of Untie Nots SAS	1,326	–
	4,801	2,362

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

13 Trade and other payables continued

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

	2023 £000	2022 £000
At 1 July	4,117	2,147
Revenue recognised that was included in the deferred income balance at the beginning of the year	(2,079)	(541)
Increases due to cash received, excluding amounts recognised as revenue during the year	4,786	2,511
At 30 June	6,824	4,117

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

	2023 £000	2022 £000
Sterling	15,665	12,174
Euros	3,432	46
Canadian Dollars	615	486
Australian Dollars	741	403
New Zealand Dollars	10	–
US Dollars	1,677	1,438
	22,139	14,547

14 Financial liabilities

	2023 £000	2022 £000
Borrowings due within one year	1,102	–
Borrowings due in more than one year	197	–
	1,299	–

The £5.0 million revolving credit facility from HSBC Innovation Bank expires in November 2024, with an additional £2.5 million available, subject to credit approval at the time, should there be an appropriate investment opportunity. As at 30 June 2023, £1.0 million (2022: £nil) of the facility had been drawn down. As security for the facility, HSBC Innovation Bank holds fixed and floating charges over the assets of the Group, including the intellectual property and trade debtors of the Group.

Untie Nots holds fixed term capital repayment loans with outstanding amounts at 30 June 2023 of €160,000 with BPI and €187,000 with BNP Paribas.

15 Deferred tax asset

The elements of deferred taxation are as follows:

	2023 £000	2022 £000
Accelerated capital allowances and intellectual property	157	203
Tax losses	(1,783)	(334)
	(1,626)	(131)

15 Deferred tax asset continued

Movement in deferred tax:

	Accelerated capital allowances & intellectual property £000	Tax losses £000	Total £000
At 1 July 2021	(235)	356	121
Credited/(charged) to income statement	32	(22)	10
At 30 June 2022	(203)	334	131
Credited to income statement	46	1,449	1,495
At 30 June 2023	(157)	1,783	1,626

No deferred tax asset is recognised for unused tax losses and deferred taxation arising on share options across the Group of £12.0 million (2022: £20.5m) due to uncertainty over the timing of their recovery.

16 Financial instruments and financial risk management

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

Principal financial instruments

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

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

	2023 £000	2022 £000
Financial assets		
Trade and other receivables	9,031	8,534
Cash and cash equivalents	10,615	3,632
	19,646	12,166
Financial liabilities		
Trade and other payables	14,019	9,913
Financial liabilities, including leases	2,595	518
	16,614	10,431

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

Disclosures in respect of the Group's financial risks are set out below:

Financial risk management

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

Credit risk

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

16 Financial instruments and financial risk management continued

The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. Following the collapse of Silicon Valley Bank, the Group's treasury policy has been revised with the revised policy in the process of being implemented at 30 June 2023, subject to the opening of accounts with certain banks. Limits are now in place on the proportion of the Group's funds which can be placed with any one banking institution. In addition, as well as being amongst the largest banks in each territory, those institutions must have a minimum A – long term rating.

At the reporting date, the Group's cash held on short-term deposit with Barclays Bank plc in the United Kingdom was £nil (2022: £186,000), with Investec Bank plc in the United Kingdom was £890,000 (2022: £23,000), with HSBC Bank plc in the United Kingdom was £807,000 (2022: £6,000), with HSBC Innovation Bank (formerly Silicon Valley Bank UK Ltd) was £4,009,000 (2022: £2,100,000), with HSBC Bank Canada in Canada was £2,004,000 (2022: £961,000), with Citizen's Bank in the United States of America was £1,000 (2022: £nil), with First Citizens Bank in the United States of America was £229,000 (2022: £nil), with Mercury in the United States of America was £384,000 (2022: £nil), with BNP Paribas in France was £722,000 (2022: £nil) with ANZ Bank in New Zealand was £246,000 (2022: £nil) and with ANZ Bank in Australia was £1,323,000 (2022: £356,000).

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained. In the Directors' opinion there have been no impairments of financial assets in the period, other than in relation to trade receivables written off of £nil (2022: £nil). The Group's trade receivables and contract assets do not contain significant financing components and therefore the Group uses the Simplified Approach to calculating expected credit losses under IFRS 9. The size of the bad debt provision at 30 June 2023 has been amended to reflect any disputes in the year.

Liquidity risk

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

The Group has maintained its facility with HSBC Innovation Bank (formerly Silicon Valley Bank UK Ltd) and has a £5m revolving credit facility, secured on the Group's assets, with an additional £2.5m available, subject to credit approval at the time, should there be an appropriate investment opportunity. At 30 June 2023, £1.0m of the facility was utilised (30 June 2022: £nil), leaving headroom of £4.0m.

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

Foreign exchange risk

Activities in each foreign currency are funded as much as possible through operating cash flows, mitigating foreign exchange risk. Funds held in foreign currencies and not required for operating expenses in the local currency are converted to Sterling as appropriate taking into consideration prevailing foreign exchange rates at the time of receipt and the Group's hedging of future foreign currency cash flows through the use of participating forward contracts. There were no outstanding hedges at 30 June 2023 (2022: none). The Group's revolving credit facility is denominated in Sterling.

16 Financial instruments and financial risk management continued

The Group has the following cash and cash equivalent deposits:

	2023 £000	2022 £000
Sterling	2,218	1,219
Euros	722	–
Canadian Dollars	2,004	962
Australian Dollars	1,467	750
US Dollars	3,912	678
New Zealand Dollars	292	23
	10,615	3,632

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

	2023 £000	2022 £000
Sterling	(7,500)	(4,107)
Euros	(2,240)	–
Canadian Dollars	296	1,292
Australian Dollars	(428)	13
US Dollars	2,284	1,423
New Zealand Dollars	5	–
	(7,583)	(1,379)

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

Canadian Dollars	2023 £000	2022 £000
Net assets	(105)	(110)
Profit/(loss) before tax	(7)	22

Australian Dollars	2023 £000	2022 £000
Net assets	(48)	(42)
Profit/(loss) before tax	(4)	187

US Dollars	2023 £000	2022 £000
Net assets	(307)	(381)
Profit/(loss) before tax	(15)	(155)

Euros	2023 £000	2022 £000
Net assets	(602)	–
Profit/(loss) before tax	1	–

New Zealand Dollars	2023 £000	2022 £000
Net assets	(11)	–
Profit/(loss) before tax	21	–

16 Financial instruments and financial risk management continued

Maturity of financial assets and liabilities

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

Capital management

The Group's capital structure is comprised of shareholders' equity and debt raised through the revolving credit facility with HSBC Innovation Bank. The objective of the Group when managing capital is to maintain adequate financial flexibility to preserve its ability to meet its financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from operating cash flows, issuances of shareholders' equity and from the revolving credit facility with HSBC Innovation Bank. There are no externally imposed capital requirements. Financing decisions are made by the Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

17 Share capital and reserves

The authorised share capital of the Company at 30 June 2023 is 29,257,404 ordinary shares of 1p each.

	Number of shares issued and fully paid	Share capital £000	Share premium £000
At 1 July 2021	26,096,563	261	17,503
Issue of share capital	325,548	3	182
At 30 June 2022	26,422,111	264	17,685
Issue of share capital	2,835,293	29	12,525
Issue costs	–	–	(285)
At 30 June 2023	29,257,404	293	29,925

On 8 August 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,600.

On 20 October 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,700.

On 16 November 2022, the Company issued 1p ordinary shares pursuant to the placing to raise funds towards the acquisition of Untie Nots SAS. The total number of shares issued on this date was 1,261,261.

On 16 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 15,568.

On 22 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 55,000.

On 25 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 46,574.

17 Share capital and reserves continued

On 3 January 2023, the Company issued 1p ordinary shares pursuant to consideration for the acquisition of Untie Nots SAS. The total number of shares issued on this date was 931,519.

On 21 January 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 200,000.

On 10 February 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 272,119.

On 14 March 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 15,000.

On 12 April 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 27,952.

On 11 May 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 5,000.

Merger reserve

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

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

18 Share option schemes

The Company has a share option scheme for certain employees and Directors of the Group. Options are generally exercisable at a price equal to the market price of the Company's shares on the day immediately prior to the date of grant. Options are forfeited if the employee or Director leaves the Group before the options vest. The service and performance criteria relating to the options are the continuing employment of the holder and the achievement of certain earnings-based performance criteria and in the case of the LTIP Share Option Scheme, may include the overall underlying performance of the Company, taking into account, among other matters, the Company's share price (as set out on pages 50 to 55).

	2023 Number of share options	2023 Weighted average exercise price £	2022 Number of share options	2022 Weighted average exercise price £
Outstanding at the beginning of the year	3,745,589	0.27	4,570,527	0.27
Granted during the year	473,010	0.01	219,144	0.01
Exercised in the year	(642,513)	(0.59)	(325,548)	(0.57)
Lapsed in the year	(6,688)	(1.74)	(718,534)	(0.04)
Outstanding at the end of the year	3,569,398	0.17	3,745,589	0.27
Exercisable at the end of the year	2,300,690	0.16	2,129,885	0.18

18 Share option schemes continued

In the year ended 30 June 2023, options were granted on 4 April 2023. The aggregate of the estimated fair value of the options granted on that day was £2,692,000 and the share price on that date was £5.70.

In the year ended 30 June 2022, options were granted on 7 February 2022. The aggregate of the estimated fair value of the options granted on that day was £1,268,000 and the share price on that date was £5.85.

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

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

In the year ended 30 June 2022, options were exercised as follows:

Date of exercise	Share price
4 February 2022	£5.85
16 March 2022	£4.30
26 April 2022	£4.56
20 May 2022	£4.70
27 May 2022	£5.53

18 Share option schemes continued

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

Name of scheme	2023 No of options	2022 No of options	Calendar year of grant	Exercise period	Exercise price per share
EMI Share Option Scheme	24,344	44,588	2014	2014-2024	£0.51
EMI Share Option Scheme	–	120,000	2014	2014-2024	£1.55
EMI Share Option Scheme	28,808	38,808	2015	2015-2025	£2.07
EMI Share Option Scheme	7,500	37,500	2015	2015-2025	£2.23
EMI Share Option Scheme	57,300	105,000	2016	2016-2026	£1.32
EMI Share Option Scheme	–	2,600	2016	2016-2026	£1.06
EMI Share Option Scheme	58,193	58,193	2017	2017-2027	£2.69
EMI Share Option Scheme	117,500	122,500	2017	2017-2027	£2.33
EMI Share Option Scheme	20,926	50,000	2019	2019-2029	£1.00
LTIP Share Option Scheme	585,979	647,476	2016	2016-2026	£0.01
LTIP Share Option Scheme	251,581	319,190	2017	2017-2027	£0.01
LTIP Share Option Scheme	729,956	922,323	2019	2019-2029	£0.01
LTIP Share Option Scheme	536,103	597,525	2020	2020-2030	£0.01
LTIP Share Option Scheme	462,802	462,802	2021	2021-2031	£0.01
LTIP Share Option Scheme	215,396	217,084	2022	2022-2032	£0.01
LTIP Share Option Scheme	473,010	–	2023	2023-2033	£0.01

The weighted average remaining contractual life of these options is 6.0 years (2022: 6.2 years).

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

18 Share option schemes continued

The inputs into the option pricing model are as follows:

	2023	2022
Weighted average exercise price	£0.17	£0.27
Expected volatility	25.3%-44.4%	25.3%-44.4%
Expected life	5-8 years	5-8 years
Risk free interest rate	0.2%-3.7%	0.2%-1.9%
Expected dividends	Nil	Nil

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

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

The inputs into the pricing model are as follows:

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

The Group recognised a charge of £2,426,000 (2022: £1,851,000) related to equity-settled share-based payment transactions in the year.

19 Leases

	2023 £000	2022 £000
Depreciation charge for right of use assets	268	170
Interest expense on lease liabilities	31	29
Short-term lease expense	243	191
Total cash outflow for leases	558	405

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

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

	2023 £000	2022 £000
Due within 1 year	523	211
Due within 2-5 years	426	344
	949	555

19 Leases continued

The Group's Guildford office lease agreement can be cancelled at the end of its initial ten year term, which commenced in July 2015. The lease for the Group's Manchester office can be cancelled at the end of its initial ten year term, which commenced in December 2013. The lease for the Group's London office can be cancelled after two years of its initial five year term, which commenced in April 2023. The lease for the Group's Paris office can be cancelled at the end of its current three year term, which commenced in January 2023. There are no further options for extension or termination and there are no residual value guarantees.

20 Related party transactions

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

During the year the Group acquired sub-contractor technical development services to the value of £41,000 (2022: £66,000) from Eagle Eye Technology Limited, a company in which Stephen Rothwell, a Director of the Company, holds an interest. At 30 June 2023, £3,900 (2022: £10,000) was outstanding in respect of these services.

None of the key management personnel of the Group owe any amounts to any company within the Group (2022: £nil), nor are any amounts due from any company in the Group to any of the key management personnel (2022: £nil).

21 Alternative performance measure

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

	2023 £000	2022 £000
(Loss)/profit before taxation	(760)	685
Add back:		
Finance income and expense	140	49
Share-based payments	2,426	1,851
Depreciation and amortisation	5,685	3,891
Acquisition cost	1,298	–
Adjusted EBITDA	8,789	6,476

22 Net cash

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

	30 June 2022 £000	Cash flow £000	Foreign exchange adjustments £000	Acquisition £000	30 June 2023 £000
Cash and cash equivalents	3,632	5,376	(561)	2,168	10,615
Financial liabilities	–	(372)	–	(927)	(1,299)
Net cash	3,632	5,004	(561)	1,241	9,316

23 Business combinations

On 3 January 2023, Eagle Eye Group plc completed the acquisition of 100% of the issued share capital of Untie Nots SAS. The consideration for the acquisition was made up of initial cash consideration of €9.1m and €5.9m worth of newly issued shares in Eagle Eye Group plc. Further consideration of €0.7m was paid on 3 July 2023 following the finalisation of certain tax affairs related to the period prior to the acquisition. 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 contingent consideration included in the goodwill calculation is a discounted probability weighted value, payable to those vendors who are not employees of the Group. Contingent consideration due to vendors who are required to remain employees of the Group to earn the consideration will be expensed through the income statement in accordance with IFRS 3.

	Book value £000	Provisional fair value adjustment £000	Provisional fair value £000
Intangible assets	–	10,226	10,226
Property, plant and equipment	14	209	223
Trade and other receivables	1,261	(32)	1,229
Current tax receivable	497	–	497
Cash and cash equivalents	2,149	–	2,149
Trade and other payables	(872)	(209)	(1,081)
Financial liabilities	(927)	–	(927)
Provision fair value of identified net assets			12,316
Provisional goodwill			3,451
Fair value of consideration			15,767
Satisfied by:			
Cash			8,549
Shares issued			5,192
Deferred consideration			670
Contingent consideration			1,357
			15,767

24 Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party due to no individual party owning a majority share in the Company. See page 59 for information on percentage shareholdings.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	2023 £000	2022 £000
Non-current assets			
Investments in subsidiaries	4	28,750	10,647
Current assets			
Trade and other receivables	5	5,576	8,319
Cash and cash equivalents		673	141
		6,249	8,460
Total assets		34,999	19,107
Current liabilities			
Trade and other payables	6	(1,055)	(134)
Short term borrowings		(1,000)	–
		(2,055)	(134)
Non-current liabilities			
Trade and other payables	6	(1,356)	–
Total liabilities		(3,411)	(134)
Net assets		31,588	18,973
Equity attributable to owners of the parent			
Share capital	7	293	264
Share premium	7	29,925	17,685
Share option reserve		7,291	5,549
Retained losses		(5,921)	(4,525)
Total equity		31,588	18,973

The Company has not presented its own income statement as permitted by section 408 (4) of the Companies Act 2006. The loss for the financial year dealt with in the accounts of the Company is £2,080,000 (2022: £792,000).

These financial statements were approved by the Board on 18 September 2023 and signed on its behalf by:

L Sharman-Munday
Director

T Mason
Director

Company number: 08892109

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2023

	Share capital £000	Share premium £000	Share option reserve £000	Retained losses £000	Total £000
Balance at 1 July 2021	261	17,503	3,997	(4,032)	17,729
Loss for the financial year	–	–	–	(792)	(792)
Transactions with owners recognised in equity					
Exercise of share options	3	182	–	–	185
Fair value of share options exercised in the year	–	–	(299)	299	–
Share-based payment charge	–	–	1,851	–	1,851
	3	182	1,552	299	2,036
Balance at 30 June 2022	264	17,685	5,549	(4,525)	18,973
Loss for the financial year	–	–	–	(2,080)	(2,080)
Transactions with owners recognised in equity					
Issue of share capital	22	12,148	–	–	12,170
Issue costs	–	(285)			(285)
Exercise of share options	7	377	–	–	384
Fair value of share options exercised in the year	–	–	(684)	684	–
Share-based payment charge	–	–	2,426	–	2,426
	29	12,240	1,742	684	14,695
Balance at 30 June 2023	293	29,925	7,291	(5,921)	31,588

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

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

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

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

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

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

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and Related Financial and Business Reporting".

The Directors have prepared detailed financial forecasts and cash flows for the Group looking beyond 12 months from the date of approval of these consolidated financial statements. In developing these forecasts the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period. The success of the Group drives the success of the Company.

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

Investments

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

Impairment of investments

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

1 Accounting policies continued

Impairment of investments continued

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

Financial instruments

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

Financial assets

(a) Trade and other receivables

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

(b) Cash and cash equivalents

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

Financial liabilities and equity

(c) Trade and other payables

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

(d) Equity instruments

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

Current income tax

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

Share-based payments

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

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

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

1 Accounting policies continued

Equity

Equity comprises the following:

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

2 Critical accounting estimates and judgements

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

Impairment of investments

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

Share-based payment charge

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

The total charge recognised by the Company in the year to 30 June 2023 is £nil (2022: £nil) with a capital contribution in a subsidiary company of £2,426,000 (2022: £1,851,000). Further information on share options can be found in Note 18 to the consolidated financial statements.

3 Particulars of staff

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

4 Investments

Investments in subsidiaries and joint ventures

	£000
Cost and net book value	
At 1 July 2021	8,796
Share-based payment charge	1,851
At 30 June 2022	10,647
Share-based payment charge	2,426
Acquisition of Untie Nots SAS	15,677
At 30 June 2023	28,750

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

4 Investments continued

Investments in subsidiaries and joint ventures continued

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

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

5 Trade and other receivables

	2023 £000	2022 £000
Amounts due from Group undertakings	5,543	8,225
Prepayments and accrued income	33	94
	5,576	8,319

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

6 Trade and other payables

	2023 £000	2022 £000
Current		
Trade payables	354	65
Accruals and deferred income	47	69
Deferred consideration	654	–
Financial liabilities	1,000	–
	2,055	134
Non-current		
Contingent consideration	1,356	–

7 Share capital

The authorised share capital of the Company at 30 June 2023 is 29,257,404 ordinary shares of 1p each.

	Number of shares issued and fully paid	Share capital £000	Share premium £000
At 1 July 2021	26,096,563	261	17,503
Issue of share capital	325,548	3	182
At 30 June 2022	26,422,111	264	17,685
Issue of share capital	2,835,293	29	12,525
Issue costs	–	–	(285)
At 30 June 2023	29,257,404	293	29,925

On 8 August 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,600.

On 20 October 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 2,700.

On 16 November 2022, the Company issued 1p ordinary shares pursuant to the placing to raise funds towards the acquisition of Untie Nots SAS. The total number of shares issued on this date was 1,261,261.

On 16 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 15,568.

On 22 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 55,000.

On 25 November 2022, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 46,574.

On 3 January 2023, the Company issued 1p ordinary shares pursuant to consideration for the acquisition of Untie Nots SAS. The total number of shares issued on this date was 931,519.

On 21 January 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 200,000.

On 10 February 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 272,119.

On 14 March 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 15,000.

On 12 April 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 27,952.

On 11 May 2023, the Company issued 1p ordinary shares pursuant to the exercise of employee share options. The total number of shares issued on this date was 5,000.

8 Related party transactions

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

9 Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party due to no individual party owning a majority share in the Company. See page 59 for information on percentage shareholdings.

Company no. 8892109

EAGLE EYE SOLUTIONS GROUP PLC
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**'AGM'**) of Eagle Eye Solutions Group plc ('the Company') will be held at The Clubhouse, St. James's, 8 St James's Square, London, SW1Y 4JU at 1.00 pm on 16 November 2023.

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

ORDINARY BUSINESS

Ordinary resolutions

1. THAT the report of the Directors, the financial statements and the report of the auditors for the Company's financial year ended 30 June 2023, be received and adopted.

2. THAT Lucy Sharman-Munday, who retires by rotation and is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.

3. THAT Charlotte Stranner, who was appointed since the last AGM and is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.

4. THAT Anne de Kerckhove, who was appointed since the last AGM and is eligible for re-election pursuant to article 19 of the Company's articles of association, be re-appointed as a Director of the Company.

5. THAT:

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

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

SPECIAL BUSINESS

Ordinary resolutions

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

   (a) allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £97,524.68; and

   (b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £195,049.36 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 6) in connection with an offer by way of a rights issue to:

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

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

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

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

Special resolutions

7. THAT, subject to the passing of resolution 6, the Directors be generally and unconditionally empowered for the purposes of section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash:

   (a) pursuant to the authority conferred by resolution 6; or

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

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

   (i) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (b) of resolution 6, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:

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

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

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

   (ii) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted under the terms of any share option scheme adopted or operated by the Company and the allotment of shares pursuant to any share incentive plan ('SIP') adopted or operated by the Company; and

   (iii) the allotment of equity securities, other than pursuant to paragraphs (i) and (ii) above of this resolution, up to an aggregate nominal amount of £29,257.40.

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

By order of the Board

James Esson

Company Secretary

For and on behalf of Eagle Eye Solutions Group plc

Dated: 18 October 2023

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

Notes:

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

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

3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY no later than 1.00 p.m. on 14 November 2023 (or, in the event of any adjournment, no later than 12.00 p.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays in England and Wales excluded), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

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

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

6. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at 1.00 p.m. on 14 November 2023 (or, in the event of any adjournment, no later than 12.00 p.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays in England and Wales excluded). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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

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

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

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Notes: continued

10. A user of the CREST system (including a CREST Personal Member) may appoint a proxy or proxies by having an appropriate CREST message transmitted to be received by no later than 1.00pm on 14 November 2023 (or not less than 48 hours before the time fixed for any adjourned AGM, provided that no account shall be taken of any part of a day that is not a working day).

    CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

    In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 1.00pm on 14 November 2023 (or not less than 48 hours before the time fixed for any adjourned AGM, provided that no account shall be taken of any part of a day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

COMPANY INFORMATION

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

Eagle Eye Solutions Group plc
Customer service enquiries: Tel: 0844 824 3699
Sales and general enquiries: Tel: 0844 824 3686
Email: info@eagleeye.com

Head Office:
31 Chertsey Street
Guildford
Surrey
GU1 4HD