

System1

Create with Confidence



YEARS

Annual Report and Accounts
for the year ended 31 March 2025



Pfizer uses System1 for all our ads now, I think we've tested 300 ads over the past couple of years. We think having a standardized approach, with really clear benchmarks, linked to ROI, that allows us to understand how our various ads are performing against themselves but also how they're performing against other benchmarks, has been extremely useful for us to be able to improve the emotional resonance of the advertising we put out there.

Susan Rienow, Chief Marketing Officer, Pfizer

Index

Highlights	1
Strategic Report	2
Group Overview	3
Chairman's Statement	4
Founder's Statement	5
CEO's Statement	8
Financial Review	20
Principal Risks and Uncertainties	23
Environmental and Social Report	26
Governance & Group Directors' Report	34
Group Directors' Report	35
Statement of Directors' Responsibilities	38
Corporate Governance	39
The Board	45
Audit Committee Report	46
Remuneration Committee Report	48
Independent Auditor's Report to the Members of System1 Group PLC	52
Consolidated Income Statement	61
Consolidated Statement of Comprehensive Income	62
Consolidated Balance Sheet	63
Consolidated Statement of Cash Flows	64
Consolidated Statement of Changes in Equity	66
Notes to the Consolidated Financial Statements	67
Company Balance Sheet	91
Company Statement of Changes in Equity	92
Notes to the Company Financial Statements	93
Company Information	102

Highlights

	2025 ("FY25") £m	2024 ("FY24") £m	Change* %
Results for the year ending 31 March			
Platform Revenue ("Predict & Improve" **)	34.5	24.8	39%
Other Revenue (Bespoke consultancy)	2.9	5.2	-45%
Total Revenue	37.4	30.0	25%
Gross profit	32.9	26.1	26%
Operating costs	(28.0)	(23.4)	19%
Other operating income	0.4	0.4	-8%
Finance expense	-	-	nm
Profit before tax	5.3	3.1	71%
Tax charge	(0.8)	(1.1)	-23%
Profit for the financial year	4.5	2.0	120%

All figures in the Highlights are presented in millions rounded to one decimal place unless specified otherwise. Percentage movements are calculated based on the numbers reported in the financial statements and accompanying notes.

* Year-on-year percentage change figures are based on unrounded numbers.

** Data and data-led consultancy

	2025 ("FY25")	2024 ("FY24")	Change %
Key performance indicators			
Platform revenue growth	39%	43%	-4%
Number of clients	563	428	31%
Gross profit % Revenue	88%	87%	1%
Adjusted profit before tax ¹	5.2	3.1	68%
Adjusted EBITDA £m ²	6.6	4.4	52%
Adjusted EBITDA % Revenue	18%	15%	3 points
Rule of 40 ³	57%	57%	0%
Free Cash Flow (FCF) £m ⁴	4.2	4.0	0.2
Net Cash £m	12.9	9.6	3.3
Diluted earnings per share**	35.2p	16.0p	120%
Ordinary dividend per share	5.5p	5.0p	10%
Special dividend per share	5.5p	-	nm

¹ Profit before tax plus share-based payment expenses

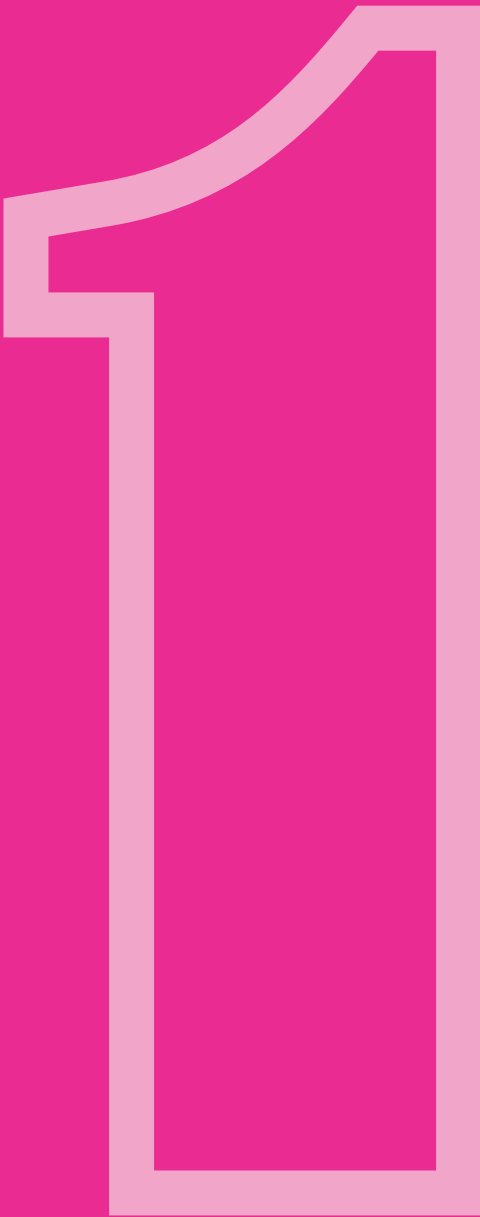
² Profit before tax + share-based payments (inc. associated social security provision) + interest, depreciation and amortisation

³ Platform Revenue growth % + Adjusted Group EBITDA % Group Revenue

⁴ Cash flow after interest and before debt raising/reduction, buybacks/dividends

- Total Revenue of £37.4m, up by 25% YoY
 - Platform Revenue up by 39% YoY
 - Over 300 new Platform clients in FY25 produced £8.1m new Platform Revenue
 - Platform Net Revenue Retention 106%
 - US Revenue up by 49% YoY; UK up by 28% YoY
 - Ad testing Revenue up by 38% YoY
- Gross profit margin 88% (FY24: 87%)
- Adjusted EBITDA £6.6m at 18% margin
- Adjusted PBT £5.2m (FY24: £3.1m, + £68% YoY), PBT £5.3m (FY24: £3.1m, +71% YoY)
- Free cash flow £4.2m. Year-end cash £12.9m
- Earnings up by 120% from 2.0m to £4.5m
- Diluted earnings per share up 120% to 35.2p
- Proposed ordinary dividend of 5.5p per share; additional proposed special dividend of 5.5p per share in recognition of outstanding year-on-year earnings growth and cashflow generation.

Strategic Report



Group Overview – System1 on a page

Who we are and why we exist

System1 is a marketing decision-making platform business. Since 2000, System1 has helped marketers tap into consumers’ emotions to predict and improve the commercial impact of ads and ideas. Our methodology is rooted in the groundbreaking behavioural science and emotion-based research of psychologists

Daniel Kahneman and Paul Ekman. Our target customers are the world’s largest brands. These businesses understand that creativity is the most powerful tool for growth within their control. System1 helps them make confident creative decisions that lead to transformational business results.

What we do

System1 predicts and improves marketing effectiveness. Our advertising and idea tests measure emotion to give our customers the most accurate predictions of the business impact of creativity. We ‘predict’ (provide research results) and work with our

customers and ‘improve’ (provide insight and consultancy on those results) advertising effectiveness, innovation effectiveness and brand effectiveness. Our unique selling point is predictiveness, translating emotion into business results.

Our products

We deliver automated fast-turnaround Data and Data-led Consultancy products for ad testing, innovation testing and brand effectiveness tracking. We can supplement the platform

proposition with bespoke consultancy where this is required by our customers. Our largest customers buy both Data and Consultancy.



Where we operate

We run tests in 81 markets globally. Office locations include London, New York, Miami, Los Angeles, Chicago, Boston, Sao Paulo, Paris, Hamburg, Rotterdam, Lausanne, Singapore, and Sydney.



How we operate

We are guided by our growth model “flywheel”. We meet our customers’ needs with leading propositions delivered efficiently via the platform. We build awareness of our propositions through fame-building partnerships which bring customer interest that we seek to convert and scale

up. Growth in our scalable model produces improved margins which we then seek to reinvest in our people, our shareholders, and back into the business growth flywheel. The growth model is underpinned by a robust support structure and performance culture.



Chairman’s Statement

“Revenue rose by 25% to £37.4m, profit before tax by 71% to £5.3m, and the business generated £4.2m free cashflow. Earnings for the year were up 120% to £4.5 m, 35.3 pence per share.”



I am delighted to report a second successive year of strong growth in revenue, profit and cash generation. Revenue rose by 25% to £37.4m, profit before tax by 71% to £5.3m, and the business generated £4.2m free cashflow. Earnings for the year were up 120% to £4.5m, equivalent to 35.3 pence per share.

The CEO’s Statement comprehensively reviews progress towards our strategic priorities. Highlights in the past year include:

- Total revenue up by 25% year-on-year
- Profit after taxation up by 120% year-on-year
- Over 300 new platform clients in 2025
- System1 worked with 5 of the top 10 advertisers in the US and 8 out of 10 in the UK
- Significant progress in the USA, with Revenue increasing by 49% year-on-year
- Investment increased by £2m for FY26 in order to accelerate profitable growth and revitalise our Innovation proposition
- Winners of Best Governance Award at the 2024 AIM Awards.

I stated in last year’s annual report that retention and reward of our key people is a mission-critical priority. Having put in place short-term incentive plans for the executive leadership team in FY24, in May 2025, following consultation with some larger shareholders, we followed up with a new long-term incentive plan, details of which can be found in the remuneration report.

Your board was pleased to resume paying dividends in 2024 and will be proposing an increased

ordinary dividend of 5.5p per share, up 10% on FY2024, together with a special dividend of 5.5p per share at the forthcoming AGM. The special dividend recognises the exceptionally high growth in after tax profits last year and a second successive year of strong cash generation. These proposed dividends reflect the board’s confidence in the prospects and the leadership of the business.

On behalf of the Board I would like to recognise the immense effort that over 180 colleagues in the business make every day to meet and exceed the needs of our customers and reach the level of performance we achieved in FY25 and I’m confident that this momentum will continue in FY26.



Last but not least, I’d like to pay tribute to System1’s Founder John Kearon whose vision and inventiveness gave life to this business 25 years ago. John’s application of behavioural science to predictive market research, particularly understanding the importance of emotion, has changed the industry forever. From September, John will assume a non-executive role in the business and will also continue to provide strategic guidance, challenge and oversight to the management team, as the Head of a new Board strategic and product advisory committee, QualCo, with the aim of keeping System1 at the forefront of thought leadership and creative effectiveness.

Rupert Howell
Chairman

Founder's Statement – Mischief, Marketing & Methodology: A Retrospective



In January 2000, with nothing but a dodgy laptop, a mad glint in the eye, and an allergic reaction to traditional market research, BrainJuicer was born. We weren't just another agency – we were the inconvenient upstart. The uninvited guest at the research party who refused to wear a tie and instead asked the awkward (and sometimes brilliant) questions.

From the get-go, BrainJuicer wasn't about validating hunches or ticking boxes – we were about unsettling the status quo. We believed market research should inspire creative marketing, not neuter it. It should encourage brave ideas, not bland conformity. And above all, focus on measuring emotion. Why? Because as we've proved..., the more people feel, the more people buy..., vote..., give..., and act. By contrast, the conventional, seemingly sensible, rational research metrics are frequently poor at predicting consumer behaviour and by extension, the commercial potential of an ad or innovation.

The Big Juicy Bang

Back in those early days, we pioneered predictive methodologies using the then-barely understood world of behavioural science – all designed to maximise the speed and cost advantages of online research. At the time traditional agencies were still conducting face-to-face research, we

built FaceTrace®, MindReader®, Predictive Markets – tools that felt more like mischief than metrics and yet proved unnervingly effective.

By 2006, we floated on AIM as BrainJuicer PLC. A bit of a mouthful on the London Stock Exchange roster, perhaps, but we liked it that way. It was irreverent, provocative – and unmistakably us. We opened offices in New York, Amsterdam, Shanghai, Paris, Delhi, Hamburg, São Paulo (hello Brazil!), Vevey, Singapore, Sydney, fuelled not by spreadsheets but by emotion, energy, and enough commercial savvy to keep the lights on.

By 2010, we were winning accolades like “Most Innovative Agency” from the GRIT report, “Agency of the Year” from Marketing Magazine, and a curious number of new friends (and enemies) in the research world. Our growth was organic, persistent and global. Proof the world was ready to move on from dusty focus groups and warmed-over quant.

The System1 Revolution

2016 marked a turning point. With Daniel Kahneman's “Thinking, Fast and Slow” now a business bible, we rebranded to System1 Group PLC. Why? Because we were already living it. Kahneman's insights had been stitched into our DNA from day one. We embraced System 1 (fast, intuitive, emotional decision-making) over the cold comforts of System 2 logic.

We weren't just running research anymore – we were predicting advertising effectiveness, brand growth, and innovation success. Fast. Accurately.

“Back in those early days, we pioneered predictive methodologies using the then-barely understood world of behavioural science – all designed to maximise the speed and cost advantages of online research.”

At scale. Test Your Ad, Test Your Brand, Test Your Idea: simple, elegant, systemised. And behind it all, the biggest advertising prediction database in the world, testing almost every US & UK ad, as well as thousands of ads across the world.

It wasn't just smart research anymore – it was a decision-making platform, complemented by our value-enhancing creative guidance. Or as we liked to call it: a BS-free zone for marketers who actually wanted their brand(s) to grow and were prepared to break with convention to achieve it with System1's help.

From Chief Juicer to Cheerleader-in-Chief

After 22 years as CEO, I handed over the reins to James Gregory, who continues to do a brilliant job steering System1 into its next phase of growth. He brings the leadership, operational rigour and vision needed to turn our IP into a billion-pound business. And me? I spent the first year growing our US business, and the last two as Head of System1 Futures, happily scheming in the background – writing, inventing, and helping the next generation of Juicers turn emotion into accurate predictions and creativity into profit. From September, I will become a Non-Executive Director, and Head of a new Board strategic and product advisory committee, *QualCo*.

We've never stopped investing in ideas. We launched *FeelMore50*, *Uncensored CMO*, published books like *Lemon* and *Look Out*, partnered with the IPA, ITV, LinkedIn, TikTok, Pinterest,

JCDecaux, Radio Centre, and many of the world's largest advertisers, ad agencies, and media companies – and stayed true to our belief: feel more, buy more. It's not a tagline. It's the truth.

25 Years, Zero Compromise

We've stayed independent. We've stayed unique. We've kept our soul. Yes, we've had tough years (2012, 2018, pandemic-era crunch). But we came through by doubling down on invention and resilience. With no small thanks to the incredible support of our long-term, super-smart investors, wise Chairmen, committed Board members and collaborators.

Our people – brilliant, opinionated, often maddening – not only make System1 a joyful place to work but continue to be front and centre in raising the predictiveness, influence, effectiveness, desirability and growth of modern Market Research. It's been a one hell of a collective effort over 25 years involving hundreds of talented colleagues – most of whom, but admittedly not all, still talk to me. Whether they do or don't, I send them my thanks and gratitude for helping System1 get to 25 in such good shape, much admired thought-leader, essential client partner, and a Company to be reckoned with.

Over the years we've been lucky to work with incredibly talented, creative collaborators like, Dr. Paul Marsden, Orlando Wood, Jon Evans, Andrew Tindall, Les Binet, Peter Field, Mark Ritson, Mark Earls, Rod Connors, Colin Jenkinson, Will Headley,

“ Our people – brilliant, opinionated, often maddening – not only make System1 a joyful place to work but continue to be front and centre in raising the predictiveness, influence, effectiveness, desirability and growth of modern Market Research. ”

“As of July 2025, we’re a tech-powered prediction company with a creative soul. We’ve built a platform that can tell you – by tomorrow morning – whether your ad or innovation will build brand fame, make people feel something, and drive profitable growth.”

Bruce Bickerton, Nina Holland, Shravan Sampath Kumar, Tom Ewing, James McKinven, Kevin Chesters, Noah Brier, Mark Beard, Ari Popper, Susan Griffin & Gary Skeggs, Mike Carey and many more.

We’ve worked with so many of the world’s top advertisers and agencies, helping them shape and bring to market some of the most emotionally resonant ads of the last decade. We’ve stood for behavioural science before it was cool – stuck with it when it was inconvenient – and are determined to continue being the industry champion of famously enjoyable and profitable creative marketing.

The Road Ahead

As of July 2025, we’re a tech-powered prediction company with a creative soul. We’ve built a plat-

form that can tell you – by tomorrow morning – whether your ad or innovation will build brand fame, make people feel something, and drive profitable growth.

Not bad for a gang of misfits who started out trying to “squeeze people’s brains until they confess something fascinating.”

So, here’s to 25 years of method in the madness. To every client who believed, every Juicer who dared, every investor who risked, every mistake we learned from, and every joyous moment we had along the way.

System1 was never meant to be a traditional company.

And thank goodness for that.

John Kearon
Founder
9 July 2025



CEO's Statement

“The business has kept the customer at the heart of all we do, while balancing focus on growth with curiosity on future invention. We have grown System1 fame, winning over 300 new clients.”



Accelerating Momentum

FY25 picked up where the excellent FY24 left off as we accelerated momentum and started to double down on our strategic goals and tap into the massive opportunity facing us. In FY25, System1 delivered £37.4m of Revenue, up 25% year on year, with 39% growth in Platform Revenue (our strategic platform and products) and a significant shift for Platform Revenue to reach 92% of Total Revenue. We continue to grow profitability, with Profit before Taxation up by 71% on the previous year.

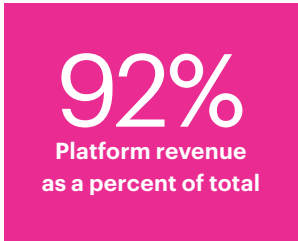
The business has kept the customer at the heart of all we do, while balancing focus on growth with curiosity on future invention. We have grown System1 fame, winning over 300 new clients with significant acceleration of progress in the US (US Revenue growth +49% year on year) alongside our core growth engine of the UK (+28% year on year). We have a clear model for growth with Platform Net Revenue Retention of 106% achieved in FY25 alongside £8.2m of new business revenues.

We have made significant progress against the growth model we set out last year – our flywheel. We have enhanced the Test Your Ad platform and product suite, with new offers such as Test Your Ad Social to be launched in FY26, in partnership with TikTok, keeping System1 at the forefront of the ad testing market.

Alongside the flywheel we have truly focused on our three strategic goals: ‘Winning in America’, ‘Revitalising our Innovation Offer’ and ‘Winning

and Scaling the World’s Largest Brands’. We have increased focus, resource and budget in the US and are seeing the results come through in what is by far the largest target addressable market for both market research and marketing spend. We have revitalised our Innovation offer, where we have launched a new Test Your Innovation platform and product suite, supported by a dedicated go-to-market team and fame programme. We are winning with our target customer group – the World’s Largest Brands, who have the capacity (and budget) to spend on our offerings and the capability to take on board on the learnings provided by our predictions and improvements to ensure they deliver world class creativity and effectiveness in their marketing.

In what is System1’s 25th anniversary year, we strongly believe that with our long experience in advertising and innovation, and a methodology



rooted in behavioural science, we are well placed to achieve our long-term goals by enabling the world's largest brands to create with confidence.

To this end, we have accelerated investment to deliver growth, focusing on our people, the US market, and our customer offering.

I’d like to take the opportunity to thank our staff who continue to amaze me each and every day with their passion, curiosity and drive, the Board whose strategic guidance and counsel is invaluable and the Executive team who continue to drive the business while creating the right performance-based culture for long-term growth. And

most significantly, thank you to John Kearon for his continued counsel, invention and challenge – it takes an incredible amount of dedication to found and create a business like System1 and keep it at the forefront of thought leadership for 25 years. I look forward to continuing to work with John in his new Non-Executive role to drive forward our strategy, product and fame.

Progress towards our strategic goals

FY25 was a real year of focus for the business, rallying around key strategic goals. With Executive sponsorship and clear alignment across the business, we have been able to make significant progress against each of these three goals, albeit we are just scratching the surface of these opportunities.

1. Winning in America

By far the largest market with 54% of total market research spend (ESOMAR), the USA is a significant opportunity for System1. We have made clear our intentions to grow in this market and supported this with dedicated focus and investment. On top of the new roles created in March 24, with Mike Perlman (Global Chief Commercial Officer) based in the US and recruiting Alex Banks (SVP Commercial Americas), we have shifted several important marketing and partnership roles into the US, in particular recruiting Vanessa Chin, an ex-customer at Aldi US to become our Global Head of Marketing.

The results are clear to see – sales up by 49% to £12.8m with the US promising to overtake the UK as our biggest revenue market. Our fame has increased significantly through a new partnership with Effies Worldwide looking to replicate our work with the Institute of Practitioners of

Advertising in the UK.

There has been a big focus on creating a winning culture with a team where our headcount has increased by 70% in the USA

and we have seen record levels of staff satisfaction as the team ramp up for success.



2. Revitalising our Innovation Offer

Creating dedicated focus on Innovation was a game changer as we allowed the core of the business to keep focused on the success of our Communications offer. Tristan Findlay joined the business as MD Innovation and has built out a team of dedicated Innovation roles, across Sales, Marketing, Product and Consultancy. Alongside the relaunch of our Test Your Innovation platform and product suite, we are starting to see green shoots of success and a strong start of growth in our Innovation offer in early FY26.

3. Winning and Scaling the World’s Largest Brands

In FY25, we saw the results of putting the customer at the heart of what you do and building a commercial machine around this. Our Platform Net Revenue Retention of 106% is the best since launching the platform in 2020, and our new business engine continued with over £8.1m of revenues from 300 new client wins for the year.

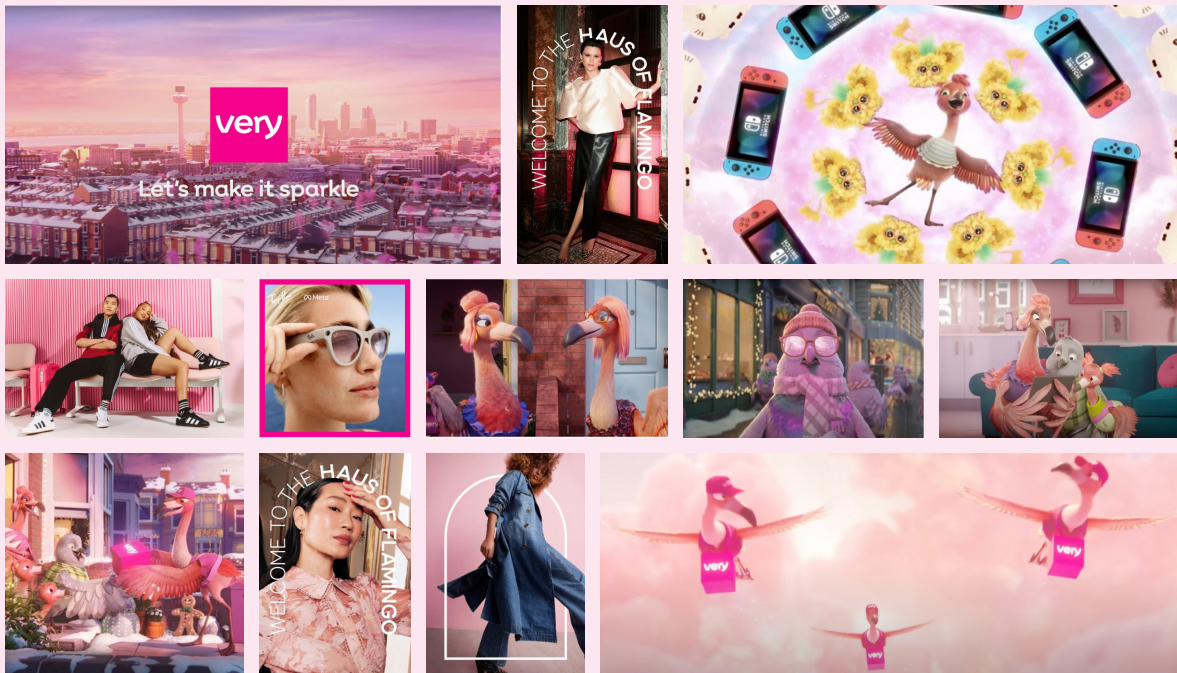
We have partnered with the world’s largest brands to create truly effective marketing. While some customers request anonymity – not wanting to share the secret sauce – the case study that follows helps encapsulate our work with Very.

Our work with Amazon Ads saw us on stage together at Cannes bringing our research and expertise to audiences.



Building emotions, building showmanship, really telling that emotional relevant stories to our audience that helps build mental availability. I mean we saw the data from System1, that really helped us. At the end of the day there is an economic value on creating an emotional story.

Lucia Ying, Head of Global SMB Brand Strategy & Beyond-Amazon Business at Amazon Ads



Case Study:
Very Unlocks the Compounding Effects of Consistency and the Value of a Data-Driven Strategy

Opportunity

Following a number of years of varying creative approaches Very aimed to refresh its brand platform to align with its new strategy and vision, hoping to create a consistent platform which would stand out in a sea of sameness within the category. Their goal was to bring the “There’s good, and there’s Very good” strategy to life, infusing the brand with vibrancy, character, and variety to reflect the culture of the brands’ homeland of Liverpool and their unique customers’ zest for life. A creative platform titled “Let’s make it sparkle” brought this strategy to life. Given the scale of this transformation, Very used data-driven decision-making to give full confidence that the new creative platform would not only engage their key customers but also attract a new consumer base.

Solution

In partnership with System1 and their creative agency, The Gate London, Very built a brand strategy rooted in effectiveness. At the heart of the strategy is System1’s principles of Fame, Feeling, and Fluency, and the research of Orlando Wood, CIO at System1 and author of *Lemon* and *Look out*. His work explores the impact of brand characters and right-brained features, elements grounded in humanity, storytelling, and culture, contrasting with the more functional, message-led, and performance-driven left-brained approach.

If Fame, Fluency and Feeling are the ‘effectiveness engines’ powering Very’s brand strategy, audience and cultural insight are the fuel on which they fire. Very feed their model with rich audience data and relevant, resonant cultural trends. A key inspiration is “hun culture,” a uniquely British sub-culture, characterised by a fabulous, cheeky, why-not vibe that finds joy in the everyday. The potent mix of audience and cultural insights informed a brand positioning

of ‘Flamingos in a flock of pigeons’ – a positioning that speaks to the attitude of Very and its customers.

The new creative platform launched in November 2023, in the UK’s Superbowl of advertising, the festive period. The launch introduced Very’s new brand characters, three fabulous flamingos – Kerry, Terry and Cherry – on a mission to make Christmas sparkle. Not your classic festive bird, but one that would become distinctively Very. While other retailers served up familiar festive sentiment, Very strutted in, pink, proud, impossible to miss. The launch creative delivered a strong 4.5 Star Nat Rep rating, and an exceptional 5.7 Star rating amongst Very’s custom target audience.

Building the Platform

In 2023, following the festive launch of the “Let’s make it sparkle” platform, Very saw a 3.4% year-on-year sales growth during their Golden Quarter, excelling in toys, gifts, beauty and electricals. This uplift aligned with System1 data, brand health tracking and econometric results, proving the value of a data-driven approach.

But Very didn’t stop there. Across the next year they doubled down on creative consistency. In March 2024, they refreshed their Very Pay always-on creative with their flamboyant flamingo world. By July 2024, their Back to School campaign extended the “Let’s make it sparkle” platform to this key family moment, positioning Very as a go-to for parents year-round. Consistent use of brand characters, smart media placement and audience-focused targeting drove positive sentiment and consideration, reinforcing the power of a cohesive, consumer-first strategy.

This strategic consistency enabled Very to expand into new categories, building awareness, fame and fluency in fashion. Having already built an incredibly distinctive animated world, Very understood that fashion would need a bespoke approach. Very took the essence of their strategy and translated it to fashion with the same vibrancy and flamingo energy associated to the brand. Haus of Flamingo launched Autumn Style, Very’s first Fashion TV campaign in seven years, driving a huge 10% year-on-year growth in womenswear consideration and an exceptional 5.7-star rating among its target audience.



It was fantastic to see our distinctive creative strategy extend into Haus of Flamingo and our style categories. The bespoke approach we took gave Haus of Flamingo a unique feel, but one which still had our Very sparkle at its core. We couldn’t be happier with the way the campaign connected with our audience and increased consideration for Very’s fashion offering.

Jessica Myers, Chief Customer Officer at Very

The Flywheel

FY25 was also a year of driving the flywheel forwards, identifying and removing any blockers to progress and accelerating the momentum we built up in FY24:

1

We help the world's largest brands make confident creative decisions that lead to transformational business results

We have kept the customer at the heart of all we do and the first stakeholder in our decision making. We have proven that we can help our target market – the world's largest brands – across pre-testing and improvements of advertising, innovation as well as in brand tracking.

Creativity remains at the core of the success of our customers advertising, innovation and brand growth – as demonstrated by data from over 5,000 IPA case studies which shows a 12x impact on the profit multiplier. This has been further proven out in our partnership with the Effies, with data from over 380 Global Marketers. While it also remains true that 51% of advertising has no impact on market share growth and that 95% of new product launches fail, the accurate predictiveness of our tests on our platform and the expert guidance provided by our people give our clients the confidence that their products and services will be a success when launched in the market.

And most importantly, our clients know that once launched, these adverts and innovations will drive real business results for them: growth of their brand, revenue and profit.

2

We've created a platform and proposition ... to help the world's largest brands make confident creative decisions

We achieve this by measuring what matters most: emotion, that gets to your "System 1" response. Our IP and thought leadership have built on the

work by Daniel Kahneman in "Thinking Fast and Slow" that sets out how System 1 thinking is fast, instinctive, emotional and drives behaviours. Our clients are clear that our ability to capture, measure and interpret emotional responses to creative content is the number one reason they buy from us, and many say that we do what no-one else in the market can do. Our platform, products and guidance are built on measuring emotion and translating that data into actionable insights that will deliver real business results.

We have invested in our platform and product development, with the relaunch of the Test Your Innovation product suite in early FY25 alongside continued enhancements to our Test Your Ad product suite. I am very excited about the launch of a new Test Your Ad – Social product in early FY26.

In early FY25, we launched a new Test Your Innovation product suite to replace Test Your Idea. This repositioned the previous version in a way that better suits our clients, helping our products meet our customers standard product development cycles.

Our post-launch analysis tells us 5-Star ideas achieve three times more sales than 1-Star ideas. We help our customers gain valuable insight by benchmarking their results against our extensive database of over 54,000 ideas so they can be confident that they are investing in the best ideas for their business.

Underpinning our Test Your Innovation platform and product is our patented share-trading methodology, while continuing to measure what matters most, emotion. How people feel about an idea, is a better predictor than what they think about it. Using FaceTrace technology, Test Your Innovation measures the emotional response of real people to predict potential in market success of each idea. And building on our thought leadership, Test Your Innovation Guidance allows our customers to improve their ideas through our unique insights and consultancy offerings.

Five Steps to 5-Star Innovation

System1

offer a solution to help you

Create with Confidence

at each stage of the innovation development process

1

Discover

Test Your Business Assets

2

Select

Test Your Innovation

3

Improve

Test Your Innovation Guidance

4

Validate

Test Your Innovation

5

Track

Test Your Brand

Benchmark

54,000+ database

System1

Create with Confidence

Test Your Innovation

Test 1-50 ideas in any one test!

Brand Positionings

Concepts

Product Claims

Product Names

Packs

Logos

System1

Create with Confidence

Test Your Innovation

Early Stage

Later Stage

Text only

Text + mood board imagery

Full concept + pack imagery

System1

Create with Confidence

Which product is right for you?

Your Need

Predict your idea's commercial potential

Understand why your ideas are successful

Get deeper insight through customizable diagnostics

Improve your ideas with our expert consultancy

Our Product

Test Your Innovation Essential

Test Your Innovation Pro

Test Your Innovation Pro⁺

Test Your Innovation Guidance

Test Your Innovation

Star score predicts successful product launches in market

Zinger Stacker

7 ideas achieved +0.9 correlation with in-market sales

Correctly identified **Zinger Stacker**, would sell over 1.5x the average launch volume.

Cidre Raspberry

7 new alcoholic drink launches achieved +0.82 correlation with +12 week market share.

Stella Artois' Cidre Raspberry was identified as the winning idea, and successfully launched.

Aunt Bessie's

Identified as a winning idea, 'Mid Week Mini Roast Potatoes' was the **biggest selling new product launch** in frozen potatoes for Heinz UK for 3 years.

Test Your Innovation

The Metrics That Matter

5.0

Star Rating

Indicative of in-market potential

Benchmarked against our norms database of 54,000+ ideas

Emotional Pull

How the idea makes people feel

Calculated by measuring emotional response to an idea

Share Trading

Whether an idea is expected to be successful in-market

The percentage agreeing they would buy shares in the idea

Decision Speed

How easy an idea is to process

Determined by the recorded time taken to buy or sell shares in the idea

Star Rating | How we measure Share Trading and Decision Speed

Would you probably **sell** or **buy** shares in each of these ideas?

Probably **sell** shares in:

Probably **buy** shares in:

In which of these ideas would you **sell** all your shares?

In which of these ideas would you **double** your shares?

Share Trading is based on a sorting exercise where respondents indicate if they would Probably Buy or sell shares in each idea (would the idea be successful in-market?)

Decision Speed defines the Fluency of each idea or how easy it is to process. It is determined by the recorded time taken to buy or sell. Fast ideas receive an up-weight, slow ideas are penalised.

Benchmarked against our norms database of 54,000+ ideas

By measuring emotion, System1 predict commercial potential

System1 Star Rating

1

2

3

4

5

3x the commercial potential

Average new launch = 1

0.8 1.1 1.5 2.0 2.6

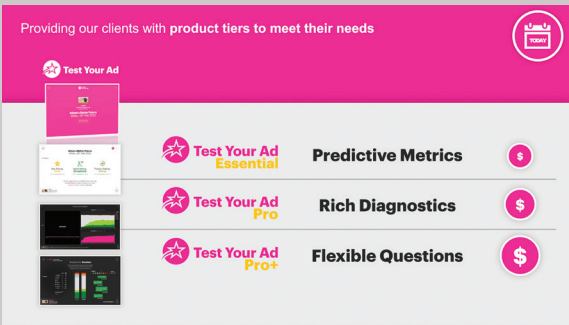
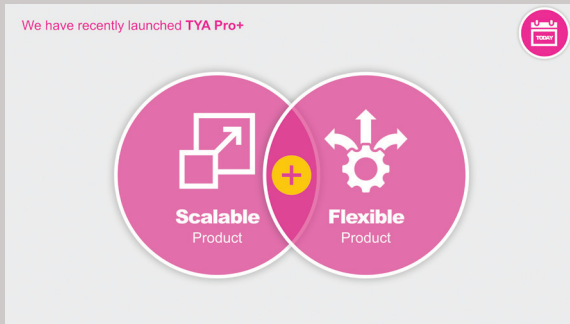
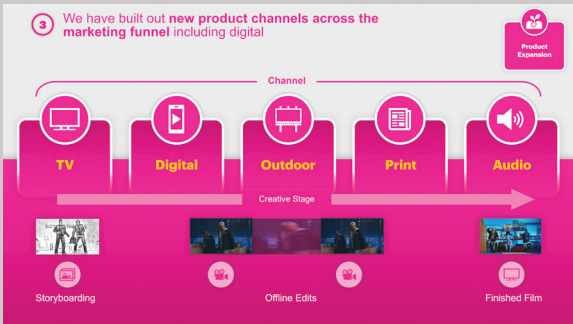
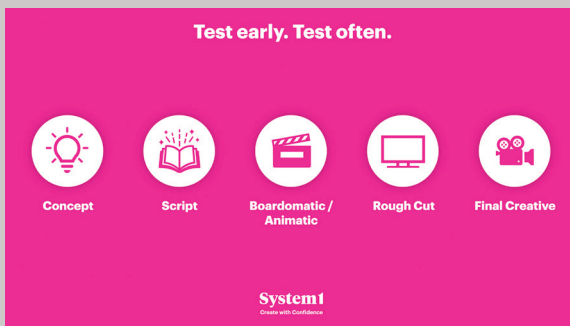
System1 Group PLC Annual Report and Accounts 2025

13

CEO's Statement continued

FY25 has been a year of reaping the rewards of the expansion of the Test Your Ad product suite that was delivered in FY24. To recap, our Test Your Ad suite covers all media types from early-stage scripts to finished films, to ensure we have the fastest, most predictive, actionable products that meet our customers' needs. Alongside TV testing, we offer TYA for Digital, Audio, Out of Home

and Print testing, allowing our customers to test full campaigns across media types. Alongside the platform and products, we refreshed our data-led consultancy, to incorporate our latest thought leadership, providing an updated framework on how advertising works and recommend improvements for our clients.

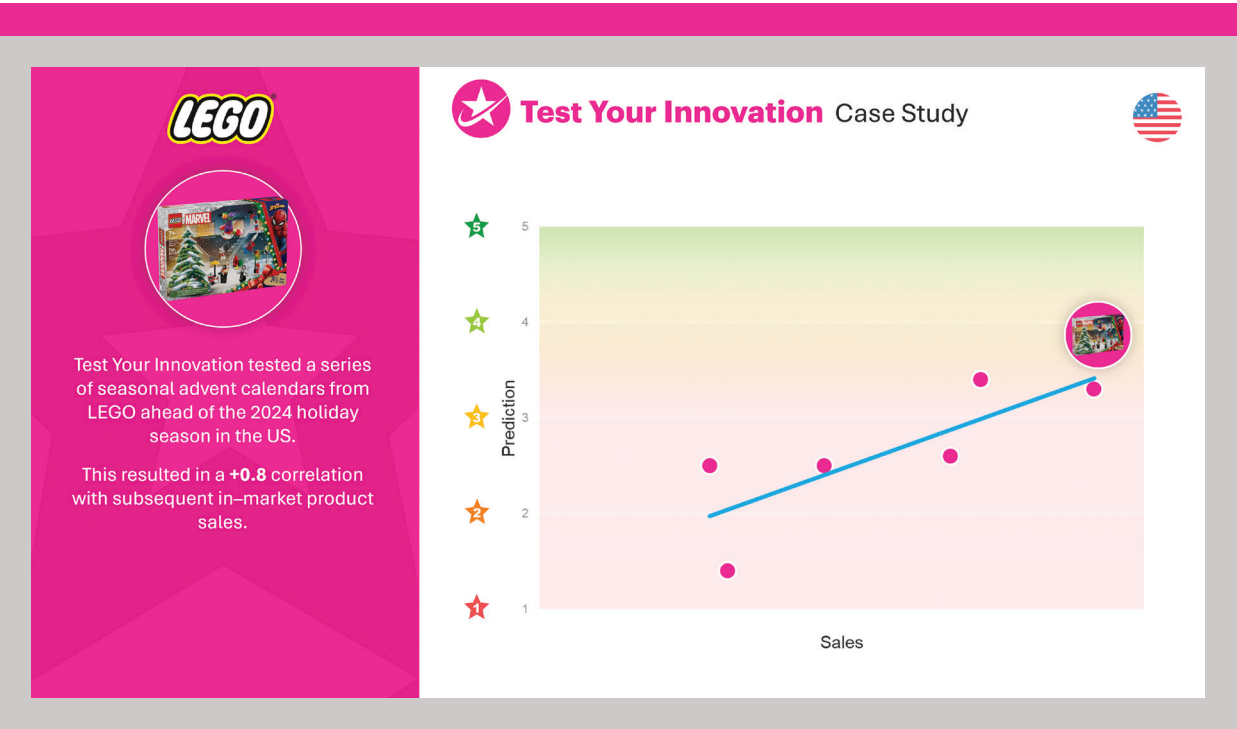


But we haven't sat on our laurels and we have continued to invest in our Test Your Ad proposition. We have been working in partnership with TikTok to build out a new 'Test Your Ad – Social' product and proposition, which launched in early FY26. This allows customers to go beyond the traditional engagement metrics on social platforms, to truly understand why their campaigns are working. We test with a real social media audience and retain emotional response at the core of the IP. Our new skippable analysis method also includes features to understand how campaigns perform in the unique social landscape; including Attention Trace, Key Brand Assets, & how entertaining their assets really are.

In addition to launching our new product, we've continued to enhance both our platform and overall user experience. This year, we introduced an



AI-powered quality monitoring tool designed to reduce fraudulent responses and ensure higher data integrity. We also made significant strides in streamlining customer onboarding and showcasing new, high-impact features. A refreshed report navigation experience is now live, offering a cleaner and more intuitive interface.



We continue to prove the effectiveness of our methodology with real-world validations. In preparation for the peak holiday sales period, we conducted pre-launch testing in the US on all of LEGO's 2024 Advent Calendars. The

results showed strong positive correlation (+0.8) between our proprietary Star scores and subsequent product sales on Amazon, affirming the predictive value of our validation tools.

3

We're famous for predictions and improvements ... that help the world's largest brands make confident creative decisions

In FY25, we made strong progress, achieving record levels of brand awareness across all parts of Fame building. We published new thought leadership that addresses the key challenges facing marketers today, shared weekly insights via our System1 and Uncensored CMO channels and established new partnerships with leaders like Effie and TikTok that will bring global research to the market in FY26. The combined fame-building efforts led to a 174% increase in new contacts to the System1 database compared to FY24.

Thought Leadership – Our thought leadership secured the highest number of downloads ever in FY25. We published and participated in new industry-leading research including:

- *Compound Creativity*, a report exploring the business impact of consistency, that was downloaded by nearly 4,000 people
- *The Extraordinary Cost of Dull*, a report revealing the hidden cost of dull ads, with more than 3,000 downloads
- WARC's *The Multiplier Effect* report, which was downloaded by more than 6,000 marketers
- *The Long and Short (form) of it*, in partnership with TikTok, a report launched in early FY26 which reveals how short-form entertainment builds brands and converts on social medial platforms.

We continued our tradition of sharing creative analysis and best practices around major marketing moments like the Christmas period and Super Bowl, with the Super Bowl securing 66% YOY growth for webinar registrants and 630 new database contacts.

Partnerships – A new 2-year partnership with Effie enabled us to create a whitepaper being published in FY26, announced via a speaking slot for Professor Mark Ritson at the 2025 Cannes Lions Festival. The research frames creativity as an investment that offers lasting outcomes and pays back in an effort to help marketers communicate the value of brand building principles like emotion and consistency.

Our new partnership with TikTok brings together System1 Test Your Ad platform data with Brand and Conversion Lift Studies from TikTok to highlight the keys to digital creative effectiveness through *The Long and Short (form) of it*. This launches early FY26 via SWSX and Cannes festivals.

Events – We continued to build more personal relationships with marketers and promote our latest thought leadership, by exhibiting at and attending many leading marketing conferences and events, including ANA Masters of Marketing, Cannes Lions, Festival of Marketing and MAD//Fest. These included speaking spots alongside WARC and other *Multiplier Effect* partners at Advertising Week New York, with Duolingo & Liquid Death at SXSW, and with client Good Feet Store at the ANA conference.

PR – We leveraged major advertising occasions like the Super Bowl and Christmas to secure features in *Adweek*, *The Drum*, *Campaign*, *Marketing Week* and the *Financial Times*. Globally, we achieved a 25% YOY increase in the number of news stories mentioning System1 and a 75% increase for the US market. This resulted in System1's share of voice increasing 4% in the US and 12% in the UK, including 30% SOV in the US for the Super Bowl.



Most brands use System1 while they're still making their ads to check they're hitting the right emotional beats. The success of Aldi's Kevin the Carrot campaigns, which feature Kevin getting into superhero-style scrapes across the dinner table, can largely be put down to System1.

Stuart McGurk, *Financial Times*

“Uncensored CMO” Podcast – Uncensored CMO maintained its position as the #1 marketing podcast in the UK and rapidly climbed the charts in the US by booking the biggest names in marketing, creating compelling content, expanding to YouTube and authentically weaving in System1 thought leadership.

The podcast now has 50% of its guests coming from the US, with listeners up over 100% in the U.S. and 30 million social media impressions in the last year, with the U.S. being the largest market.

Brands like OREO, Yum! Brands, Rare Beauty, Poppi, AB InBev, Amazon, Google and more all appeared and customers like Pfizer and Very promoted the value of their relationships and ad testing with System1.

Social – We surpassed the 50,000-follower milestone on System1’s LinkedIn page, growing total followers by more than 50% in FY25. In addition to advertising content, we leveraged both social and the website to share regular insights around innovation to support the relaunched Test Your Innovation platform.

We also continued to see unprecedented growth and engagement rates among “Top Voices” like Jon Evans, Andrew Tindall and Vanessa Chin. Top Voices regularly amplified System1 thought leadership and our popular Ad Of The Week feature, helping to drive traffic to the System1 website, demo and thought leadership forms.

4

We make it easy for System1 to convert the world’s largest brands at the right time

FY25 surpassed FY24’s record breaking year for new client wins, driven by our market-leading platform, proposition and fame-building activities. Mike Perlman had his first full year as Chief Commercial Officer, with global remit for commercial success, while being based in the US. His leadership has seen System1 step change the

pace and structure of the commercial business as well as recruit in top talent to help drive forward our success.

We won 310 new clients, delivering £8.1m of new revenues primarily in the US and the UK, reflecting our focus on the largest markets. Our go-to-market focus has seen real success in specific sectors such as Food and Beverage, Tech and Retail. As always, we are not permitted to name many of our clients, and new wins in the period included: TikTok; a global market leader in enterprise application software; one of Britain’s leading retailers; a US manufacturer of carbonated beverages; a large, global investment management firm with US\$20 billion in annual revenue and a global flag-carrier airline.

With 99% of our new revenues coming from our strategic platform of predictions and improvements, we saw clear evidence that our proposition meets the needs of the world’s largest brands and they have less reliance on bespoke consultancy.

5

We scale up and are embedded throughout the world’s largest brands

We saw continued excellent levels of revenue growth, with total revenues up 25% and platform revenues up by 39%. Our platform Net Revenue Retention improved year-on-year to 106%, with our FY24 customer base increasing their spend across our platform offer.

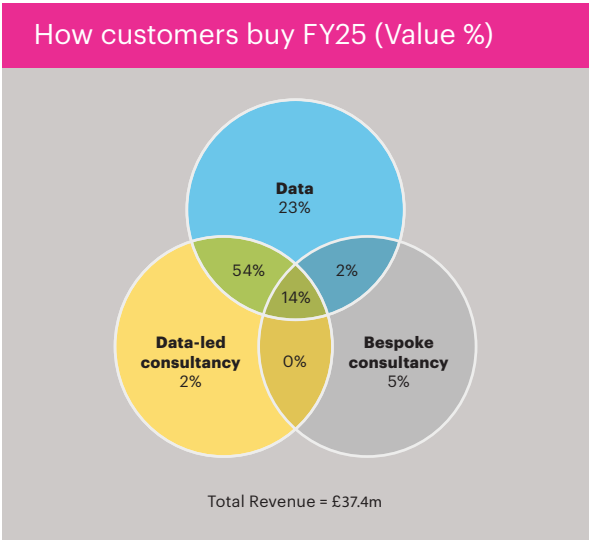
Concentration in our top 10 and top 20 clients was consistent year on year. Our top 10 clients made up 31% of revenue and our top 20 clients 42%

of revenue. The proportion of spend from the top 20 clients on platform products and data-led consultancy increased to 90% in FY25 from 78% in FY24 with 18 of our top 20 clients buying these services. No one client’s revenue in FY25 represented more than 10% of System1’s revenue.



The majority of System1 revenue comes from the world's largest brands who follow our model of test and improve, buying data and data-led consultancy. In FY25 71% of total revenue came from the 34% of clients by number that purchased both data and consultancy (vs 75% from 40% in FY24). Conversely, just 23% of Group revenue came from the 60% of clients by number that purchased only data (vs 16% from 51% in FY24).

We are incredibly proud to serve some of the world's largest brands, as we work with 5 of the top 10 US brands and 8 of the top 10 UK brands. The opportunity to grow share of spend from these brands is high as we continue to develop relationships with them over time.



Top 10 advertisers in the US and UK

Rank	Parent Company	Ad Spend June '23 (\$m)
1	Procter & Gamble	109.3
2	Abbvie	81.4
3	GSK	52.8
4	Walt Disney	47.0
5	Novo Nordisk	44.4
6	Progressive	38.5
7	Alphabet	38.0
8	Warner Bros. Discovery	34.1
9	Pepsico	33.7
10	Amazon	31.9

Rank	Company	Commercial Impacts (billion)
1	Procter & Gamble	23.4
2	Sky	19.9
3	Unilever	15.4
4	Crown Commercial Service	10.7
5	L'Oréal	9.9
6	Reckitt Benckiser	7.7
7	Tesco	7.3
8	McDonald's	7.2
9	Amazon	7.1
10	EE Limited	6.9

6 We reinvest the results of higher volumes and margins from helping the world's largest brands make confident creative decisions

In FY25, we grew profit before tax by 71%, supported by gross profit margin growth +1 point to 88% and ahead of our 85% long-term benchmark. We stepped up investment in FY25 across our people, our platform and proposition, while also rewarding our shareholders with a dividend and 120% EPS growth.

People – We continued to incentivise and reward colleagues through our variable pay model, linked

to growth in the Group's gross profit. This continues to be a good motivator for front line commercial colleagues as well as maintaining morale and retention across the global work force.

Platform and proposition – In FY25, we increased our investment in our platform and proposition to continue to accelerate revenue growth. We maintained cash spend on our IT development and TYA premium and increased expenditure on our go-to-market teams. In addition, we have committed an additional discretionary £2m in FY26 to accelerate profitable growth and revitalise our Innovation proposition.

“ I remain excited by the three big strategic growth opportunities identified last year that we continue to be laser focussed on, namely the US market, Innovation, and growing our share of business with the world’s largest brands. We are just scraping the surface of the opportunities in each of these areas. ”

Dividends – In FY25, the Group resumed dividend payments with a 5p per share dividend for FY24. We are proposing a total payout of 11p per share dividend for FY25, split equally between ordinary and special dividends, subject to shareholder approval at the forthcoming AGM, reflecting our confidence in the prospects for the business.

7

We have a robust support structure and performance culture that allows us to help the world’s largest brands make confident creative decisions Conclusion:

FY25 has seen System1 maintain highly motivated teams with strong retention and employee engagement, through our performance culture. We have created an environment where all colleagues can work together, focus on adding value to our customers. We actively remove the blockers from our teams’ day-to-day lives and have seen staff happiness improve on record levels from FY24. In addition, System1 has been recognised as a Great Place to Work® in both the US and UK, while being awarded “UK Best Workplace for Development”. In parallel, we were proud to receive the AIM Governance Award 2024, which recognises companies that lead the way in transparency, Board leadership and building long term value. This is a strong endorsement of how we run the business and the standards we hold ourselves to, both internally and in the eyes of our investors and the wider market.

Conclusion: we have momentum to grow in a massive market and continue to invest

I remain excited by the three big strategic growth opportunities identified last year that we continue to be laser focussed on, namely the US market, Innovation, and growing our share of business with the world’s largest brands. We are just scraping the surface of the opportunities in each of these areas.

With our strong balance sheet and business health, we are accelerating our investment at a time when we believe some competitors are scaling back investment. In December 2024 we announced £2m of investment in medium term growth during FY26 in addition to existing commitments in strategic growth areas including such as AI. Importantly, we maintain a focus on cash-flow and margin to ensure we balance growth with business stability. We have provided an up-to-date outlook for the business in our July Q1 trading statement.

Finally, thank you to our customers for their continued commitment to world class marketing with confidence in their creative, to our shareholders for their continued support, to our staff for their dedication and focus, and to our Board for the strategic direction and backing.

James Gregory
Chief Executive Officer
9 July 2025

Financial Review

Overview

	2025 ("FY25") £m	2024^ ("FY24") £m	Change £m	Change* %
Results for the year ending 31 March				
Platform Revenue**	34.5	24.8	9.7	39%
Other Revenue (Bespoke consultancy)	2.9	5.2	(2.3)	-45%
Total Revenue	37.4	30.0	7.4	25%
Direct Costs	(4.5)	(3.9)	(0.7)	17%
Gross profit	32.9	26.1	6.8	26%
Operating costs	(28.0)	(23.4)	(4.6)	19%
Other operating income	0.4	0.4	0.0	-8%
Profit before tax	5.3	3.1	2.2	71%
Tax charge	(0.8)	(1.1)	0.3	-23%
Profit for the financial year	4.5	2.0	2.4	120%

All figures in the Financial Review are presented in millions rounded to one decimal place unless specified otherwise. Percentage movements are calculated based on the numbers reported in the financial statements and accompanying notes.

* Year-on-year percentage change figures are based on unrounded numbers.

** Data and data-led consultancy

	2025 ("FY25")	2024 ("FY24")	Change*
Key performance indicators			
Platform revenue growth	39%	43%	-4 points
Number of clients	563	428	31%
Gross profit % Revenue	88%	87%	1 points
Adjusted profit before tax ¹	5.2	3.1	68%
Adjusted EBITDA £m ²	6.6	4.4	52%
Adjusted EBITDA % Revenue	18%	15%	3 points
Rule of 40 ³	57%	57%	0 points
Free Cash Flow (FCF) £m ⁴	4.2	4.0	0.2
Net Cash (£m)	12.9	9.6	34%
Diluted earnings per share	35.2p	16.0p	120%
Ordinary dividend per share	5.5p	5.0p	10%
Special dividend per share	5.5p	-	nm

¹ Profit before tax plus share-based payment expenses

² Profit before tax + share-based payments (inc. associated social security provision) + interest, depreciation and amortisation

³ Platform Revenue growth % + Adjusted Group EBITDA % Group Revenue

⁴ Cash flow after interest and before debt raising/reduction, buybacks/dividends

Revenue performance

Total Revenue reached £37.4m, up 25% on FY24, and Platform Revenue rose by £9.8m (39%) in the year to £24.6m, due mainly to continued strong growth in automated ad-testing revenues (Test Your Ad). Data-led consultancy revenue rose by 42% with clients of Test Your Ad wanting to understand how to further improve the effectiveness of their creative content. Overall platform revenue represented 92% of total revenue in FY25, compared with 82% in the previous year. Other Revenue, primarily bespoke consultancy, fell by £2.4m in the year, as customers continued to adopt the standard platform products, and the company focused its resources accordingly.

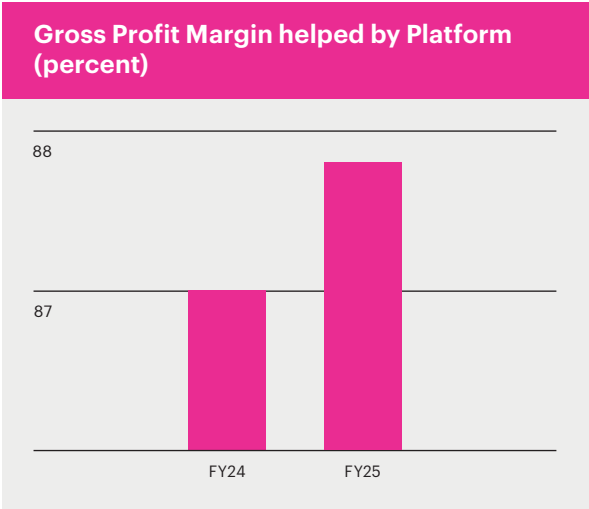
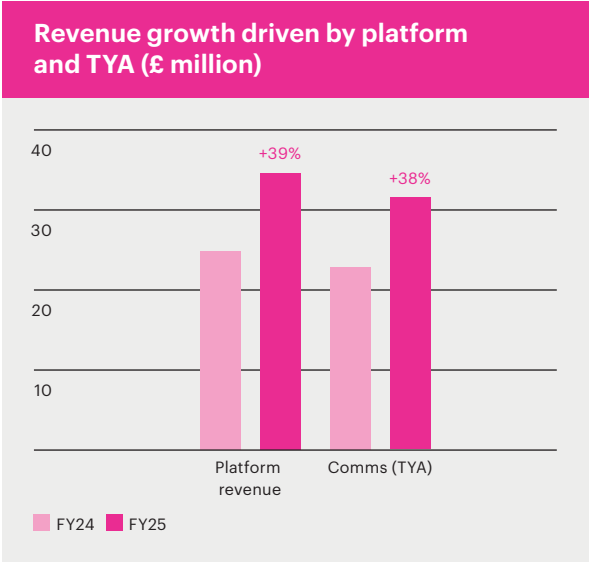
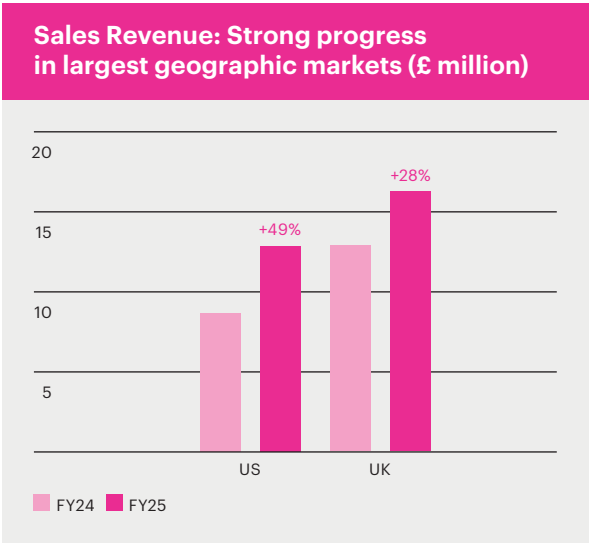
The Communications (Comms) product group, including Test Your Ad, grew by £8.7m (38%) year-on-year, driven predominantly by the US, where Comms revenue grew by 68% year on year. Comms revenue, including ad-testing, accounted for 84% of all revenue in FY25 (FY24: 76%) Innovation revenues decreased by £1.2m (29%), and Brand Tracking revenues were down by £0.1m (3%). The geographic spread of the business has shifted year on year with the US increasing its share of Group revenue by 5% to 34%, and a corresponding decrease in continental Europe. Revenue in the UK rose by 28% and accounts for 43% of the total.

Direct costs

Direct costs increased by 17% year on year on Revenue growth of 25%, reflecting the continuing growth in the proportion of Platform Revenue and efficiencies in the supply chain, including further investment in automation. As a consequence of these improvements the gross profit margin rose by 0.9 points to 88%.

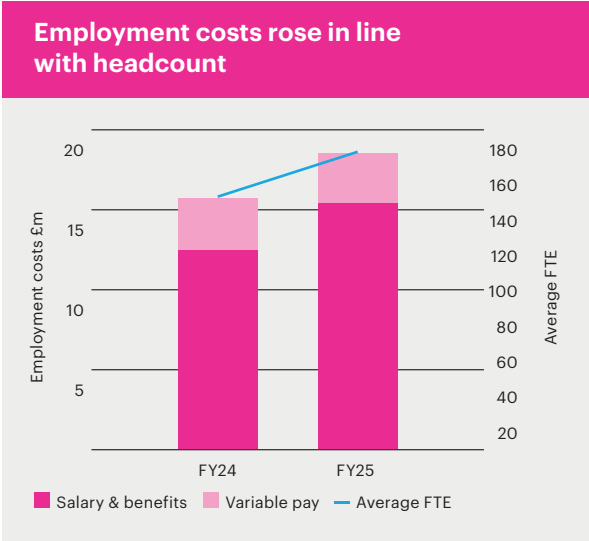
Operating costs

Total operating costs increased to £32.9m (FY24: £23.4m) due mainly to employment costs (headcount increased 16% year on year), increased customer



acquisition costs, lower net benefit of capitalised IT development costs, and foreign exchange translation effects on non-sterling debtors and bank accounts. Some £3.2m was invested in development and innovation during the year, related primarily to the marketing predictions platform, automated prediction products, TYA Premium database, and AI-related research and development (FY24: £3.1m).

Average employee numbers rose from 144 in FY24 to 167, attributable to growth in the commercial, marketing, product and research & guidance teams. In December 2025 we announced an additional £2m investment aimed at building our position in America and revitalising System1's Innovation proposition. Some £0.1m of the additional investment was spent in the final quarter of FY25



Profit before taxation

Profit before taxation for the year of £5.3m was £2.2m higher than the previous year owing to higher sales volumes and improved gross margins, more than offsetting the 19% increase in operating costs.

Taxation

The Group’s effective tax rate decreased sharply from 35% to 16%. This is due mainly to the impact of UK R&D tax credits in respect of FY23 and FY24, which have been surrendered for group relief in FY25. Excluding these R&D tax losses, the effective tax rate for the Group would have been in the region of 30%. The Company intends to submit an R&D claim for FY25, however following legislative changes to the UK R&D regime effective from 1 April 2024, any amounts received will be reflected in pre-tax earnings and subject to corporation tax. Accordingly, the Company expects the effective tax rate in future periods to be in the region of 25% to 35%.

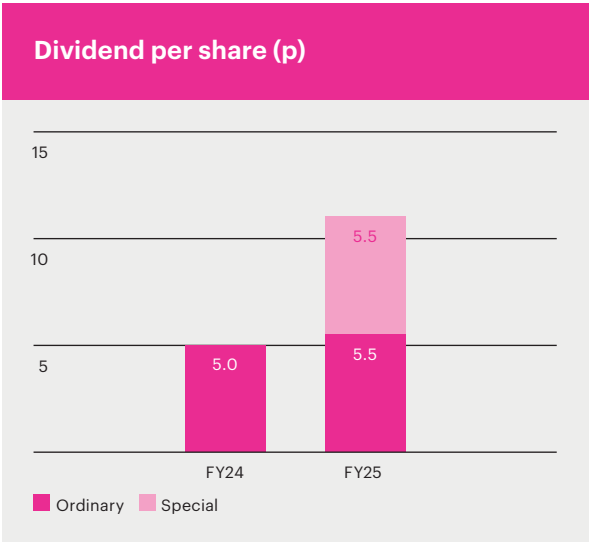
Funding and liquidity

Cash balances rose by £3.3m from £9.6m to £12.9m, broadly in line with the £4.0m free cash flow minus the £0.6m dividend paid during the year. A second consecutive year of strong cash generation reflected increased profitability and improved collections – details in Note 10. Of the £6.2m cash generated from operations; £0.6m was invested, including £0.5m in capitalised software development; and £0.8m was spent on property leases including imputed interest. A weaker US\$ across the period compared to FY24 reduced the year-end value of non-Sterling cash balances by £0.3m.

Dividend

Following the resumption of a dividend last year, the Board is proposing an ordinary dividend of 5.5p per share for FY25 (FY24: 5.0p) and an additional special dividend of 5.5p per share. The proposal will be put to the Group’s annual general meeting on 24 September 2025, with an ex-dividend date of 25 September, record date of 26 September and payment date of 17 October. The proposed combined dividend payments represent ca 31% of earnings.

Chris Willford
Chief Financial Officer
9 July 2025



Principal Risks and Uncertainties

The Board is responsible for reviewing risk and regularly reviews the risks facing the Group, as well as the controls in place to mitigate potential adverse impacts. The risk register is assessed at every monthly Board meeting. The Audit Committee reviews the effectiveness of financial controls. The Board endeavours to identify and protect the business from the big remote risks: those that do not occur very often, but which when they do, have major ramifications. The types of event that we are concerned about and seek to manage are summarised below.

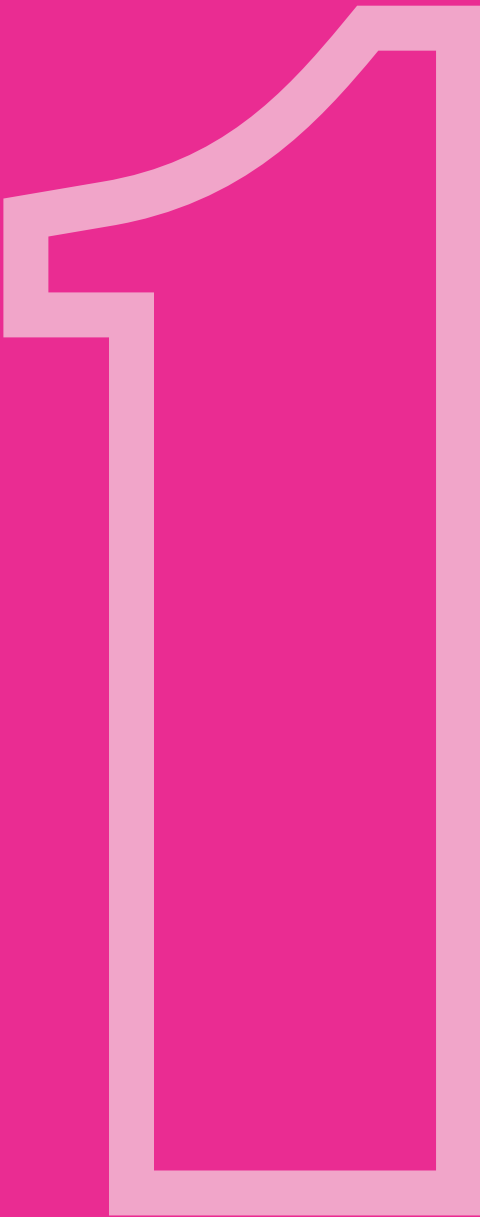
Risk Area	Potential Impact	Mitigation
Loss of a significant customer	Revenues and profits fall due to the loss of a large customer	We work with more than 500 customers and work hard to earn their loyalty. Our customer base is diversified such that we have no customers contributing over 10% of revenue.
Loss of key personnel	Key personnel leave the business, taking knowledge and external relationships with them	We seek to ensure that System1 is as attractive to existing employees as it is to talented external recruits. Reward is competitive, and regular performance evaluation identifies individuals who may be “at risk”. For the most senior executives, the LTIP (long-term incentive plan) and STIP (short-term incentive plan) are designed to provide a strong financial motivation to stay at System1. These incentives are reviewed periodically to ensure they remain effective.
Loss of a critical supplier	The bankruptcy, change of control or resignation of a strategic supplier leaves the Company unable to meet customer demand	We have several mission-critical functions carried out by third-party suppliers (such as panel suppliers). For these functions, we seek to ensure we are not too reliant on any one organisation and typically have three qualified providers. We work in close co-operation with our strategic suppliers, ensuring that any issues and concerns are surfaced rapidly and resolved in partnership.
Loss of assets, data, intellectual property	Theft of intellectual property via unauthorised or illegal access to or copying of the Company’s databases, proprietary methods, and algorithms	We endeavour to protect the business from significant risks, through a combination of trademark protection; insurance; development of internal guidelines and policies; comprehensive information security programme, and our employee, customer and supplier terms and conditions.
Litigation risk	Legal action is taken against the Company by customers, employees, suppliers, or other stakeholders	We endeavour to protect the business from significant risks, through our terms and conditions, trademark protection and comprehensive professional indemnity insurance.

Principal Risks and Uncertainties continued

Risk Area	Potential Impact	Mitigation
Strategic risk	Technological advances including artificial intelligence reduce the commercial viability of the Group's methodology	The Group positions itself as "the most predictive" provider of information to support creative and marketing decisions. Currently a combination of real-life panel respondents and System1's methodology achieves this goal. Our S1 Futures programme includes an exploration into how AI could transform predictive research.
	The Group does not compete effectively in the largest and faster-growing markets	The Group formally reviews product and geographic markets as part of its regular strategy review. We have increased our presence in the US to reflect the significant opportunity in that market and are relaunching Test Your Innovation in order to improve our performance in the largest of our chosen product markets.
Operational risk	An outage or other technical issues on our survey platform results in delays in delivering customer projects	All our services are hosted on a secure external cloud infrastructure with multiple failover options. We continuously monitor system availability and endeavour to alert the customer to any delays on the rare occasions where there is disruption.
	A reduction in panel data quality affects the company's reputation with key customers	We conduct both operational and strategic reviews of respondent quality in close collaboration with our approved panel suppliers and can switch provider where required via our platform API.
	A cyber-attack causes a material breach to our infrastructure	Our business does not ordinarily hold non-employee personal data. Any personal data of clients' or suppliers' employees is held by System1 in compliance with the applicable legislation. We have invested in our controls (including penetration tests), processes and IT infrastructure and have held ISO 27001 accreditation covering information security since 2019.
	The volume of change initiatives could lead to a loss of operational control	All change initiatives are subject to project governance, and development is run on an "agile" methodology. The Executive Team reviews operational performance regularly providing early warning of potential deviations from plan. The Board reviews operational performance monthly and strategic direction regularly and when appropriate.
	A subsidiary incurs substantial losses	The Group operates a highly centralised model with minimal delegation of financial authority below the Executive Directors. All bank payments and transfers have to be authorised by Group Finance.
Financial risk	Failure to manage credit, currency, market, interest rate or liquidity risk expose the Group to losses	Due to the straightforward nature of the business, its international cost base, the Group's strong balance sheet, and the fact that most of the Group's customers are large, credit-worthy organisations, foreign exchange and credit risks have historically proved to be modest. Further information is given in Note 8 to the financial statements.

Risk Area	Potential Impact	Mitigation
Environmental and political risk	The Group's revenue streams could be affected by customers' decisions to reduce marketing budgets	The Group trades principally in the UK and the USA and is exposed to the social and economic impacts in those regions. The 2020 Covid-19 pandemic demonstrated the Group's resilience during an economic downturn. The main exposure is to our customers' decisions on the size of market research budgets in response to external events and macroeconomic factors such as inflation and interest rate increases.
	Shareholder relations: the Company's plans could be opposed by significant shareholders	The Company holds comprehensive investor one-on-one and group meetings in roadshows at least twice a year. In addition, quarterly trading updates provide an opportunity to engage with shareholders and potential investors.
	Political risk through adverse regime or regulatory change	The territories representing the vast majority of the Group's revenue are socially, politically, and economically stable. We do not currently service clients based in Russia or Belarus, and our operations have not been directly affected by the ongoing conflicts in Ukraine or Gaza. We have a regional operations centre in Brazil where just over 10 percent of our employees are based and are comfortable that the benefits of the operation outweigh the slightly elevated risks.
Conflicts of Interest	Directors' and employees' personal, financial or business affairs may result in situations where the company's interests are not fully aligned with their own	The Board formally records directors' interests at each meeting, and directors' new external appointments are notified as soon as is practical. Below board level the company reviews senior employees' outside interests on a case-by-case basis to ensure no detriment to the company arises.
Reputational risk	Press releases or other statements from the company could include incorrect or defamatory content, adversely affecting the company's reputation with customers and other stakeholders	All trade press releases are reviewed by at least one member of the Executive. Financial releases are reviewed by at least two Board members and our Nominated Adviser.
	Comments or articles posted by employees on social media could adversely affect the Group's reputation with customers and other stakeholders	The Group has a social media policy which sets out employees' duty of care when posting work-related content on social media.

Environmental and Social Report



Section 172 Report

Section 172 of the Companies Act requires the Board to take into consideration the interests of stakeholders in its decision making. This section provides information about the Board’s approach to engagement with stakeholders, namely:

- Customers
- Talent
- Investors
- Suppliers
- Community and Environment.

In determining the Board’s approach, the Board members have regard to the following:

- The likely consequences of any decision in the long term
- The interests of the company’s employees
- The need to foster the company’s business relationships with suppliers, customers and others
- The impact of the company’s operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company.


Overarching the Group’s approach to all stakeholders is System1’s cultural pyramid:



Customers

Our target customers are the world’s largest brands. The board understands the importance of forming and retaining good working relationships with its existing and target customers.

These customers understand that creativity is the most powerful tool for growth within their control.



The power of creativity for growth could be considered our industry’s most fundamental reason for being. Creativity is a superpower.

Marc Pritchard, P&G Chief Brand Officer

System1 helps these companies make confident creative decisions that lead to transformational business results. Our advertising and innovation tests measure emotion to give our customers the most accurate predictions of the business impact of creativity. We also provide expert guidance to our customers to help them improve the effectiveness of their ad or innovation.

Talent

In April 2024, we adopted a Flexible Holiday policy, following a successful trial in FY24. This builds on our Flexible Working approach and Flexible Benefits platform, giving employees greater autonomy in how they choose to work and rest. Feedback has been overwhelmingly positive, with many highlighting how naturally the policy fits into our ways of working – supporting a culture that trusts people to manage their time and energy in the way that delivers their best.

This approach is reflected in our Great Place to Work® (“GPTW”) results, achieved in 2024 across the UK, EU, APAC, US and Brazil. Notably:

- 94% of employees in the US say System1 is a great place to work (vs. 57% for a typical U.S. company)
- Employees globally say they can be themselves at work, feel genuinely cared for, and trust the leadership team
- Our people describe a sense of pride in their work, a fair and inclusive environment, and a shared commitment to doing things the right way.

How we engage with our talent

We have cultural values (Customer Commitment, Creativity, Collaboration and Conviction) as well as a set of team behaviours known as TIDE, which describe how we work together.

T
R
U
T
H

I
N
T
E
N
T

D
E
B
A
T
E

E
L
E
P
H
A
N
T

Truth – always tell the truth... and tell it early

Intent – always assume good intent...yet resolve issues

Debate – Debate... Decide & Unite

Elephant – Don’t allow ‘elephants’ in the room... yet be empathetic in dealing with them

These behaviours help us create a high-trust environment, which we know from both internal feedback and GPTW results is a critical driver of engagement and performance. We embed our values and behaviours by the following:

1. Introducing them to all employees during their onboarding programme, as part of a 1Welcome afternoon, chaired by the CEO and Chief People Officer
2. Making them a consistent part of all company communications and
3. Celebrating examples of best practice with awards on our Town Halls.

We conduct quarterly employee input surveys using our FaceTrace methodology to capture how employees feel about working at System1, alongside what’s working well and what could improve. These surveys are reviewed by the Board and followed by team-level discussions chaired by leaders and the HR team to agree improvement actions. Our Great Place to Work® feedback reinforces that this approach is working – employees report feeling genuinely heard, supported, and able to influence change.

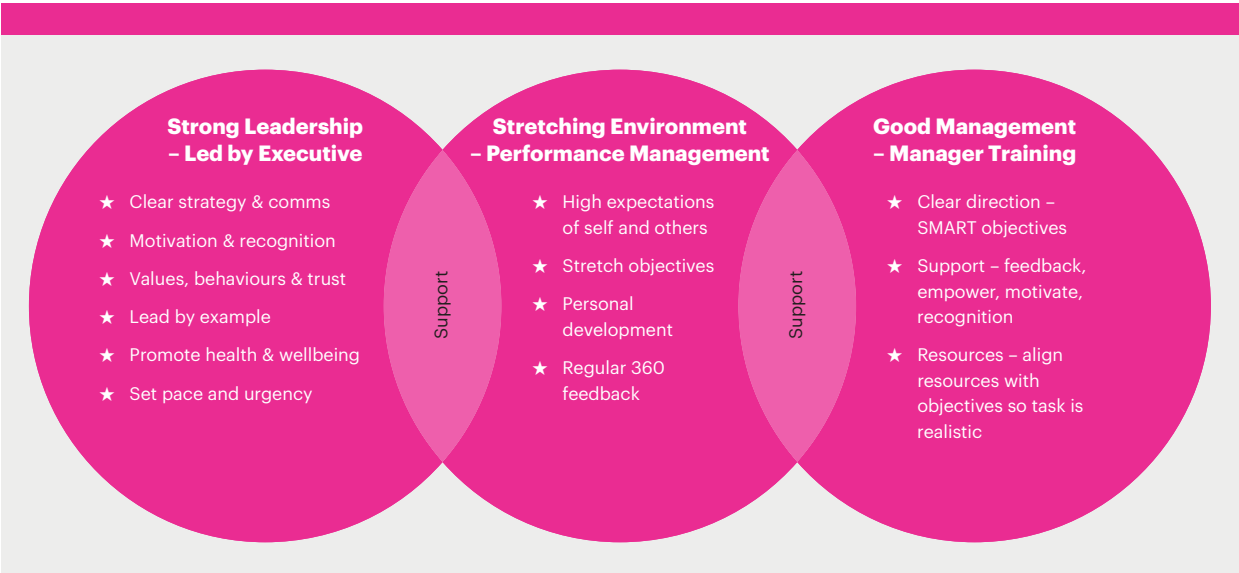
In addition to monthly Town Hall meetings with all staff, we also host ad hoc senior management forums and run monthly workshops with managers. These meetings ensure consistent communication, alignment, and celebration – including our System1 Value Awards, where employees are nominated for living our values.

We pay fairly and equitably, with no discrimination across any factor. We ensure this through benchmarking and annual salary reviews by individual and by role.

There is a structured approach to career and professional development based on our leadership and departmental frameworks. This ensures clarity and consistency in expectations and performance ratings, supporting a culture of continuous development. Our learning culture includes internal training, professional certifications, MBA sponsorships, and new in 2025: internal coaching.

Talent engagement outcome

We continue to develop our hybrid virtual working approach, working closely with managers and all employees to maximise productivity, creativity and happiness. We believe in a healthy performance culture and use the below model to guide us in achieving this.



We are continuously evolving our engagement tools, based on feedback and measures.

In October 2023, we introduced automated, mandatory 360 feedback for all employees, and in March 2024, we launched departmental and behavioural frameworks. These have been well received and provide a consistent, transparent structure for feedback, development and career conversations – reinforcing what our GPTW results highlight: a workplace where people feel heard, valued and treated fairly.

We also invest in moments that matter, bringing people together in person for connection and shared purpose. Our 1derful Wednesday events encourage social connection in-office, while biannual regional and all-company strategy meetings keep everyone aligned and inspired.

Our Great Place to Work® results help to validate our employee experience efforts and show where we can continue to evolve. We are proud of the recognition and even more proud that it reflects what our people experience day to day: a company where they can thrive, feel trusted, and do their best work.

Investors

The Company is committed to protecting and advancing the interests of its shareholders. Our approach is grounded in strong governance, transparent communication and direct alignment between shareholder value and leadership performance. Our Board members hold a significant equity stake in the Company, ensuring their decisions are closely aligned with long-term shareholder interests. In parallel, executive management participates in a Long-Term Incentive Plan (LTIP) directly tied to Company performance, reinforcing accountability and a long-term value creation mindset. We believe shareholders of all sizes deserve timely, direct access to information and leadership. The Company maintains a proactive engagement program that includes one-on-one meetings with major investors and prospective shareholders following full-year and interim results, as well as post-AGM briefings.

To maximise access and reach, we host live online events through the InvestorMeetCompany platform, including capital markets days, result presentations and our Annual General Meeting. This ensures all shareholders, retail or institutional, local or global, can engage directly with management in real time.

Transparency is at the heart of our investor relations. We communicate primarily through our corporate website, where we publish key reports, disclosures and regulatory announcements. Shareholders receive at least 21 clear days' notice of the AGM, in line with best practice and regulatory standards. Participation is strongly encouraged, both in person and virtually, to ensure an open dialogue with the Board.

All shareholders receive the Annual Report electronically by default, with printed copies available on request. Our interim results are also made available online, ensuring uninterrupted access to key performance updates.

Beyond shareholders, we maintain regular, strategic communication with our principal banking partner to keep them informed of performance, forecasts, and key developments - ensuring confidence in the Company's financial health and risk management.

We work closely with our Nominated Advisor, Canaccord, to ensure full compliance with market regulations. They support all formal shareholder communications and arrange our twice-yearly investor "roadshows".

Suppliers

We work with a small number of trusted suppliers and operate on a strong partnership basis. As outlined in the Principal Risks and Uncertainties section on page 23, the loss of a critical supplier could leave the Group unable to meet customer demand, therefore the Board has regard to the importance of fostering good relationships with our suppliers to promote the success of the Group. Our approach is centred on lean principles and continuous quality improvement, with weekly and monthly meetings to review service levels, KPIs and resolve issues. We share data between teams to ensure that there is one view of our partnership metrics..

Our key delivery suppliers include:

- **MAP Marketing Research** provides us with survey programming and project management services
- **Toluna, Prodege, Walr and NetQuest** provide us with market research panel respondents to complete our surveys
- **Datawise** provides us with bespoke data processing and charting services on our non-standard deliverables
- **Intonation** provides us with translation services (forward translation of questionnaires and back translation of respondent verbatim).

Community

ESG Strategy

In 2024 we launched a new ESG Strategy, driven by a steering committee formed of Executive and Senior Managers in Talent, Legal and Finance departments and with sign off from the Board. In April 2025 the Environmental, Social & Governance (ESG) Committee was established to ensure that ESG matters are embedded into the Group's strategy, culture, and operations. The Committee plays a key role in monitoring ESG-related risks and opportunities and guiding the Group's approach to responsible and sustainable business practices. The Committee is chaired by Conrad Bona and comprises Chris Willford and two Executive team members.

The ESG Committee is responsible for:

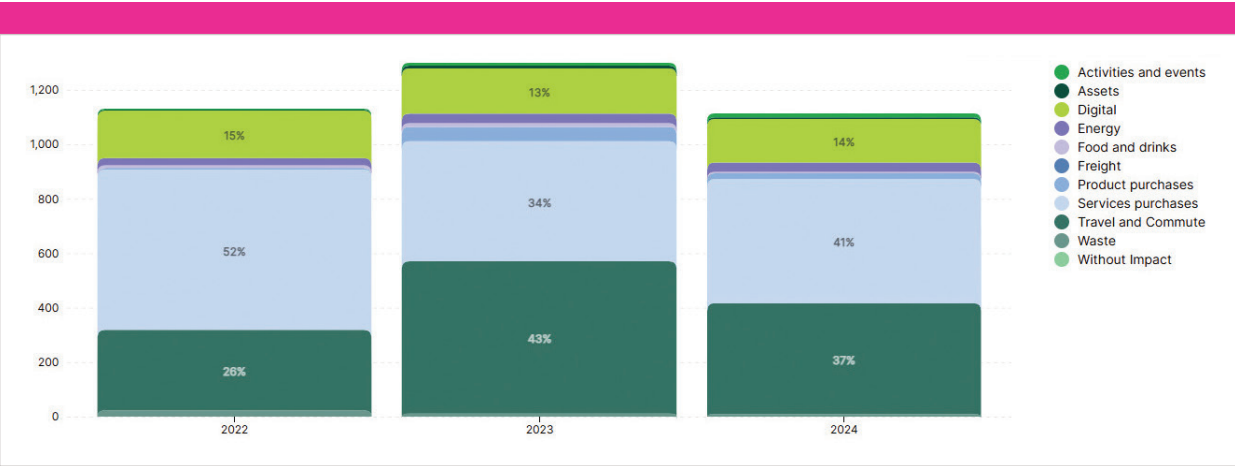
- Overseeing the development and implementation of the Group's ESG strategy and related objectives.
- Reviewing and monitoring ESG key performance indicators and metrics, where applicable.
- Providing direction on ESG risks, including those related to data ethics, diversity & inclusion, and sustainability.
- Reviewing relevant ESG-related policies and codes of practice.
- Monitoring emerging ESG trends and assessing their impact on the Group's operations and reputation.
- Overseeing the quality and integrity of ESG disclosures and reporting.
- Considering the results of any ESG-related audits or external reviews and the management response to those findings.

The Committee meets at least twice per year. It reports directly to the Board, ensuring that ESG remains an integrated element of governance and strategic planning. The ESG Committee also collaborates with other Board Committees where responsibilities intersect, such as risk management and workforce matters.

Environment

We understand the importance of tackling carbon emissions. Although System1’s operations fall outside of manufacturing and are primarily online, they are not entirely carbon-neutral. System1 has partnered with Greenly, a leading carbon emissions company. With their support, we have developed a comprehensive plan to measure, reduce and offset our carbon footprint.

Since first reporting on our emissions for 2022, as part of our 2023 assessment, our emissions for 2022 were amended to 1.1k tCO2e (previously 1.3k tCO2e). This revision was due to updated categorisation of expenses and changes to emissions factors. These adjustments are a standard part of any climate strategy, ensuring emissions data remains accurate and aligned with evolving methodologies. The assessment for 2023 was completed in early 2025 and our reported emissions had risen by 18% to 1.3k tCO2e, predominantly due to a rise in travel and commuting. The 2023 assessment was deemed to be a more representative picture of business-as-usual activity post-Covid and has been set as our official baseline year for future reporting and tracking purposes. Our assessment for 2024 is now also completed, and our reported emissions fell back to 2022 levels of 1.1k tCO2e with reductions across the majority of categories. Our reporting periods for our carbon emissions assessment are on a calendar year rather than fiscal year basis, therefore the 2024 assessment runs to 31 December 2024.



	2023	2024
Absolute emissions	1.3k	1.1k
Employees	148	160
Emissions per employee tCO2 / employee	8.8	7
Revenue M£	28	37
Emissions per revenue tCO2e / M£	46	30

To meet the 2015 Paris Agreement target of a 50% reduction in GHG emissions between 2020 and 2030, we need to achieve a 6.3% reduction in emissions with one year (-70 tCO2e).

All emissions continue to fall under Scope 3 and our largest opportunities for improvement remain in Services purchased and Travel and commuting. At 7.0 tCO2e per employee, our emissions are below the sector median value of 8.1 tCO2e per employee.

With Greenly's expertise and guidance, System1 is implementing solutions to reduce emissions, including:

- Updated travel policy to encourage employees to take trains rather than planes where possible, and to book through our dedicated travel partner's system so that emissions are captured and reported accurately
- A more rigorous approval process for external conferences, to promote local travel only
- Holding company events in the location in which most attendees reside, to reduce the need for flying
- Switched to least data-intensive formats for our marketing assets
- Provision in our road map to include a clause that asks our suppliers to conduct mandatory carbon reporting and target a 3% reduction, at the time of contract renewals in new contracts
- Continue to extend lifespan of IT equipment (extended from 3 to 4 years from 2022 onwards) and run energy efficient operations through optimising cloud computing and storage, further supported by Microsoft Azure's strong ESG commitments.

Social

We've made strong progress in bringing our commitment to social responsibility and inclusivity to life across System1.

We successfully delivered unconscious bias training to all teams, supporting inclusive teamwork, management, and recruitment. Participation is now being tracked to ensure it remains embedded in our culture over time.

Our LookOut volunteering efforts continue to grow, with employees actively participating in initiatives across London, São Paulo and beyond – including mentoring programmes, community fundraising, and charitable donations. Our next step is to encourage more local ownership of these initiatives, helping teams drive impact in the communities they know best.

We now review our Diversity Policy annually as part of our ISO responsibilities and have taken further steps to support fair and inclusive hiring. All job ads are gender-decoded using AI software, and structured interview training has been rolled out to hiring managers. We continue to assess how consistently these inclusive tools are being used and look for opportunities to strengthen our approach.

We've also appointed a dedicated and accredited global Health & Safety representative, providing visible support for employee wellbeing across all locations.

To support transparency, we launched a central ESG section on our company intranet. While this is now live and accessible, we recognise there's further potential to make it more dynamic.

As part of our commitment to continual improvement, we are also reviewing our DE&I data and hiring trends to identify where we're doing well and where we can do more. These insights help inform regular Talent team discussions, ensuring DE&I remains a visible and ongoing priority in our people strategy.

We're proud of the progress made and remain focused on building an inclusive culture that enables everyone at System1 to thrive.

Governance

Strong governance remains central to how System1 builds trust, manages risk and scales with resilience. In FY25, we continued to embed deeper oversight, sharpen accountability and future-proof our practices as a digital-first, insight-led business.

Governance structures evolving with the business

Our governance framework continues to be reviewed against AIM Code principles, regulatory developments and peer benchmarks. To ensure relevance as we grow, we will undertake a full review of all Board sub-committee Terms of Reference in FY26.

From 1 April 2025, we also established a dedicated Nominations Committee to support Board composition, leadership planning and succession. The Committee comprises of four Non-Executive Directors, chaired by Phil Machray, and is responsible for ensuring the Board and senior leadership retain the right mix of skills, diversity and continuity to support the Group's strategy.

Board effectiveness and composition

A formal annual evaluation of Board performance helps us assess effectiveness, identify areas for improvement and ensure our leadership remains aligned with the company’s strategic direction and future needs.

Enterprise risk firmly embedded

Risk now features as a standing agenda item in monthly Board meetings and Executive Team strategy sessions. A dedicated oversight role enhances visibility and coordination, ensuring key risks are proactively identified, tracked and mitigated.

Policy renewal and leadership continuity

We maintain a rolling programme to update internal policies in line with legal, operational and industry changes. Succession planning is regularly reviewed to safeguard leadership stability and readiness.

Cybersecurity rigorously tested

In FY25, we completed a cyber threat simulation to assess the strength of our defences and response protocols. The test validated our preparedness and informed targeted enhancements to further strengthen resilience.

Recognition for compliance and strong oversight

System1 was proud to receive a 2024 AIM Governance Award, recognising our commitment to transparency and high standards. We consult regularly with our NOMAD on market best practices and engage closely with our Senior Independent Director to continuously refine our approach. An internal governance oversight function plays an important role in ensuring compliance is embedded and scalable as we grow.

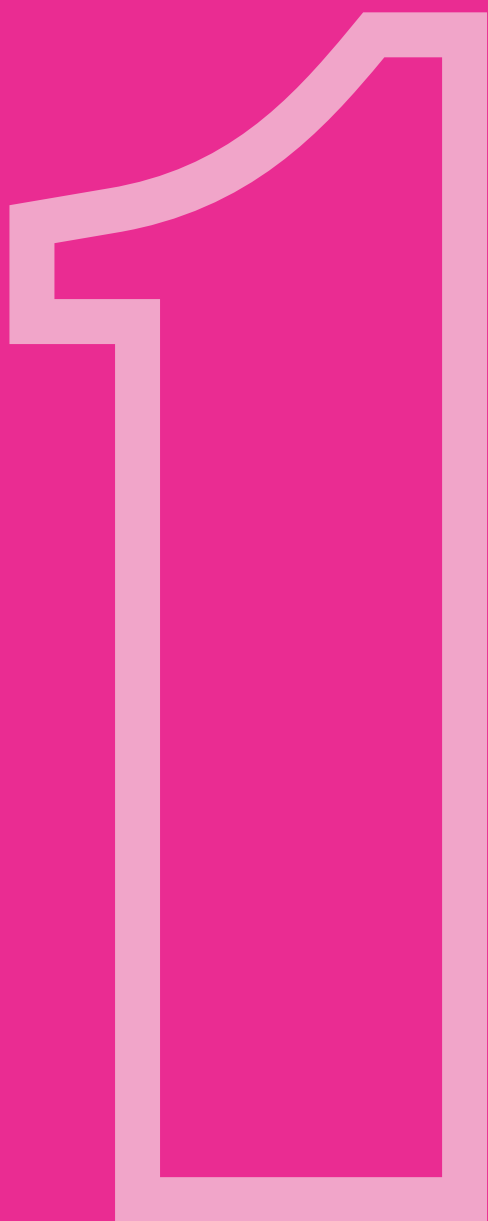
More dynamic stakeholder engagement

We’re continually improving how we communicate with shareholders, employees and wider stakeholders - creating clearer channels for feedback, more responsive dialogue and greater alignment between stakeholder expectations and business action.

On behalf of the Board

Chris Willford
Chief Financial Officer
9 July 2025

Governance & Group Directors' Report



Group Directors' Report

Review of the business and future development

The Chairman's Statement, CEO's Statement, the Financial Review, the Section 172 Report, Principal Risks and Uncertainties, and the Corporate Governance Report set out:

- the issues, factors and stakeholders considered in determining that the Directors have complied with their responsibilities under section 172 of the Companies Act 2006 (Corporate Governance Review);
- the methods used to engage with stakeholders and understand the issues to which the Directors must have regard under section 172 of the Companies Act 2006 and the effect on the Company's decisions and strategies during the year (Corporate Governance Review);
- the way that management view the business (Group Overview, Chairman and CEO's statements, Financial Review);
- its strategy, positioning, and objectives (Group Overview, Chairman and CEO's statements);
- its historic financial performance (Chairman and CEO's statements, Financial Review);
- an assessment of its future potential (Group Overview, Chairman and CEO's statements, Financial Review);
- its key performance indicators (Financial Review); and
- its key business risks (Principal Risks and Uncertainties).

Dividends

The Company paid a final dividend in respect of the year ended 31 March 2024 of 5.0p on 18 October 2024, and proposes to pay an ordinary dividend of 5.5p per share for FY25, and an additional special dividend of 5.5p per share which will be put to the Group's annual general meeting in 25 September 2025.

Directors

The following individuals served as directors of the Company, System1 Group PLC, during the year and up to the date of approval of the financial statements:

James Gregory	(Executive)
John Kearon	(Executive)
Chris Willford	(Executive)
Conrad Bona	(Non-Executive)
Rupert Howell	(Non-Executive)
Phillip Machray	(Non-Executive)
Sophie Tomkins	(Non-Executive)

The Remuneration Committee Report sets out directors' interests in the shares of the Company.

Share capital

At 31 March 2025, the Company had 13,226,773 Shares in issue (2024: 13,226,773) of which 537,700 were held in treasury (2024: 547,844). The treasury shares will be used to help satisfy the requirements of the Group's share incentive schemes.

Substantial shareholders

As at 2 June 2025, the Company was aware of the following significant interests in the ordinary issued share capital of the Company.

	Number	% of voting shares
John Kearon	2,818,235	22.2
BGF Investment Management Limited	847,000	6.7
Herald Investment Mgt	595,111	4.7
Kestrel Investment Partners	584,943	4.6
Crucible Clarity Fund	567,895	4.5
Hargreaves Lansdown Asset Mgt	544,288	4.3
Ennismore Fund Mgt	437,276	3.5
Stefan Barden	426,048	3.4
Octopus Investments	416,937	3.3
Interactive Investor	399,520	3.2

Financial risk management

The Group's activities expose it to the following financial risks. Further assessment of financial risks is outlined in Note 8 to the Consolidated Financial Statements.

Credit risk

We manage credit risk on a Group basis, arising from credit exposures to outstanding receivables and cash and cash equivalents. Since the majority of the Group's customers are large blue-chip organisations, the Group rarely suffers a bad debt. The Group's cash balances are held, in the main, at HSBC Bank. The Group also utilises the Flagstone deposit platform to access higher interest rate returns on surplus cash. The Group's treasury strategy focuses on short-term deposits of three months or less and seeks to maximise amounts covered by FSCS Protection.

Market risk – Foreign exchange risk

In addition to the United Kingdom, the Group operated in the United States, Rest of Europe, Brazil, Singapore, and Australia during the period and was exposed to currency movements impacting commercial transactions and net investments in those countries. Management endeavours to match the currencies in which revenues are earned with the currencies in which costs are incurred. So, for example, the US operation generates most of its revenue in US dollars and incurs most of its costs in US dollars also.

Liquidity risk

The Company monitors its cash balances regularly and holds sufficient cash in immediately available current accounts to minimise liquidity risk.

Other risks

Management do not consider price risk or interest rate risk to be material to the Group.

Capital risk management

The Group manages its capital to ensure that it can continue as a going concern while maximising its return to shareholders. The Company has a £1.5m secured overdraft facility with HSBC. To the date of the signing of these financial statements, no amounts have been drawn under the overdraft facility. The Group has not entered any derivative contracts.

Going concern

As noted in Principal Risks and Uncertainties, and in note 3 to the consolidated financial statements, the Directors have considered financial and operational risks in the prevailing economic climate and marketing industry trends in the going concern assessment. In addition to the mitigating actions taken by the Company to address these risks, the Directors have closely monitored the performance of the Group throughout the year, noting the £12.9m cash balance at year-end and the availability of a £1.5m overdraft facility (which has not been drawn to date).

The Group has reviewed its financial forecasts for the 12 months from the approval of these financial statements, flexing sensitivity analysis scenarios with external and internal inputs that would represent the Group's central forecast and various downturn scenarios.

Accordingly, after making appropriate enquiries, at the time of approving the financial statements the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the Company and Group financial statements.

Research and development

The Company's Labs, Products, S1 Futures and IT Development teams are involved in the development and validation of new market research methods and products.

Employees

The Group maintains fair employment practices, attempts to eliminate all forms of discrimination and to give equal access, and to promote diversity. Wherever possible we provide the same opportunities for disabled people as for others. If an employee were to become disabled, we would make every effort to keep them in our employment, with appropriate training where necessary.

Health and safety policies

The Group does not have significant health and safety risks and is committed to maintaining high standards of health and safety for its employees, visitors, and the public.

Directors' indemnities

Directors' and officers' insurance cover has been established for each of the Directors to provide cover against their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006, remain in force for all current Directors. All relevant information known to the Directors has been relayed to the appointed auditor.

Disclosure of information to auditors

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the System1 Group PLC website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

On behalf of the Board

Chris Willford
Chief Financial Officer
9 July 2025

Statement of Directors' Responsibilities

The directors are responsible for preparing the Group Strategic Report, Group 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 are required by the AIM Rules of the London Stock Exchange to prepare the 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) including Financial Reporting Standard 101 "Reduced Disclosure Framework".

The Group financial statements are required by law and UK-adopted international accounting standards to present fairly the financial position and the financial performance of the Group and Company. 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 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;
- d. for the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements;
- e. 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 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company 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 System1 Group PLC website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Chris Willford
Chief Financial Officer
9 July 2025

Governance

System1 understands how vital good governance is for achieving our business goals and sustainability targets. We will share more about our approach to governance in later sections of this report.

We know that good governance is key for our company’s success. It benefits everyone involved with our group – not just our shareholders, but our employees, clients, and partners too. That is why we have built a governance structure that makes sure our decisions are transparent, responsible, and uphold the highest ethical standards.

We are committed to ongoing review and refinement to make sure we manage risks effectively and stay compliant with laws and regulations.

Our Board of Directors is central to our governance structure. It consists of individuals with a wide range of skills and experiences. They provide critical oversight, strategic counsel, and informed decision-making, ensuring our commitment to the highest ethical standards is never compromised.

Employee engagement and development form a crucial part of our governance strategy. Our significant investment in ongoing professional development ensures our team is equipped with the latest industry knowledge, skills, and best practices to deliver exceptional market research and insights to our clients.

As we move forward, we are committed to maintaining and improving our governance standards and to promoting a culture of responsibility, integrity, and excellence throughout System1.

As an AIM-listed company, System1 adheres to the ten principles of the Quoted Companies Alliance (QCA) Corporate Governance Code. The QCA Code identifies ten principles that underpin growth in long-term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust.

Deliver growth

Establish a strategy and business model to promote long-term value for shareholders	Our strategy is to grow the platform-based predictions business and achieve economies of scale	See Group Overview page 3 and CEO’s Statement page 8
Understand and meet shareholder needs and expectations	The CEO and CFO communicate regularly with investors during results roadshows, webcasts, capital markets days and one-on-one meetings	Visit system1group.com/investors for further information
Take into account wider stakeholder and social responsibilities and their implications for long-term success	The preferences of customers, employees, suppliers, community as well as investors inform our decision making	See Section 172 Report page 27 and system1group.com/investors
Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board is responsible for setting risk appetite and tolerance. The Executive manages risk day to day, supported by the governance function	See Principal Risks and Uncertainties page 23 and Board Effectiveness page 44

Maintain a dynamic management framework

Maintain the Board as a well-functioning, balanced team led by the Chair	During FY25, the Board had two Committees: the Audit Committee and Remuneration Committee. On 1 April 2025, the Board established three new Committees; the Nomination Committee, the ESG Committee and the Quality Committee. The composition and experience of the Board is reviewed in the Board Evaluation. All Directors recognise the need to commit sufficient time to fulfil the role. This requirement is included in their letters of appointment. The Board is satisfied that the Chair and Non-executive Directors devote sufficient time to the Group’s business.	See Corporate Governance pages 41 and 42
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The Board members have the appropriate ranges of skills and experience, covering, Sales & Marketing, Technology, Finance, Governance and Sustainability	See Board experience page 45 and Board Effectiveness page 44
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board carries out an annual effectiveness review assess its strengths and areas for development and improvement	See Corporate Governance page 41 and Board Effectiveness page 44
Promote a corporate culture that is based on ethical values and behaviours	The culture of System1 is guided by the core “TIDE” values	See Section 172 Report page 28
Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	The Board is satisfied that the delegated authorities and budgetary processes in the company are adequate to support its strategic growth plans. The Board regularly considers the need to adapt and improve processes in line with the growth of the entity including any associated investment in tools and resources.	See Board of Directors page 45 and system1group.com/investors

Build trust

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The investors section of our website includes our Annual Report, results, presentations, notice of AGM and results of the AGM and general meetings.	See Remuneration and Audit Committee reports on pages 48 and 46 and system1group.com/investors for further information
---	---	---

Strategy

All directors are familiar with the market in which the Group is operating, the Group’s value proposition, and its strategic intent.

The Board actively participates in setting, and regularly reviewing, the strategy of the business, and is responsible for ensuring that the Company’s business model is, and remains, aligned to the achievement of its strategic objectives. The Company sets out its strategy within the Strategic Report section of its Annual Report and Accounts.

Risk management

The Board reviews the risks facing the business on a regular basis. The identified principal risks and uncertainties are those outlined in the Strategic Report.

The Board is responsible for the Group's system of internal controls and risk management, and for reviewing the effectiveness of these systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute assurance against material misstatement or loss.

The key features of the Group's internal controls are described below:

- clearly defined organisational structure with appropriate delegation of authority;
- comprehensive budgeting programme with an annual budget approved by the Board;
- regular review by the Board of actual results compared with budget and forecasts;
- regular reviews by the Board of full year expectations;
- detailed budgeting and monitoring of costs incurred on the development of new products;
- a limited number of Directors and Executives authorised to commit the company to legal agreements or make payments;
- regular reviews of customer and employee feedback;
- information security controls (for which the Company has obtained ISO 27001 accreditation).

The Board take measures to review internal controls and embed risk management procedures on an ongoing basis and implement metrics and objectives to monitor the business as part of a continuous improvement programme.

Corporate culture

The Group endeavours to maintain a culture built on integrity. To surface unethical or deceitful behaviours, it promotes openness amongst its employees, provides channels for employees to feedback concerns to the Executive Directors and the Board (such as anonymous employee feedback surveys, and confidential whistleblowing channels), and conducts exit interviews. Further information on System1's culture and values can be found in the Section 172 Report.

The Board of Directors

The Board comprised three Executive Directors and four independent Non-Executive Directors, including the Non-Executive Chairman for the year ended 31 March 2025. The membership of the Board is set out in the Group Directors' Report. We believe that the directors have the mix of leadership, marketing and financial skills and experience necessary to oversee the Group and deliver its strategy for the benefit of the shareholders over the medium to long-term, and this mix is regularly under review as strategy develops. The composition of the Board is set out on page 45 and is intended to achieve a balanced range of personal qualities and capabilities, and to support the Company's commitment to promoting gender equality and diversity. The biographical details of the directors are presented below.

The Board operates an induction programme for new Non-Executive Directors. The Board reviews its AIM obligations with its Nominated Advisor annually and endeavours to keep up with best practice governance via QCA seminars and training material. All directors can access the Company's advisors and obtain independent professional advice at the Company's expense in performance of their duties as directors.

During the year, the Remuneration Committee sought advice from external consultants on board and senior management remuneration. Neither the Board nor the respective committees have sought other external advice on any significant matter during the year. The Audit Committee works with the Company's auditor, HaysMac LLP. The Board liaises regularly with the Company's Nominated Advisor, Canaccord Genuity to ensure compliance with AIM Rules.

The Board considers each of the Non-Executive Directors to be independent, for the following principal reasons:

- they all have served on the Board for less than ten years;
- their remuneration is not material in the context of their financial circumstances;
- they have no executive role;
- they each own an immaterial number of shares in the Company in the context of their financial circumstances;
- they are not related to any of the Executive Directors; and
- they have no material conflict of interest given their other roles and business activities.

The Board schedules regular monthly meetings during the year, except for August, and additional ad hoc meetings as required. All Directors can allocate sufficient time to the Group to discharge their responsibilities fully. In recent times, we have embraced a hybrid approach to our board and committee meetings, conducting them both virtually via Microsoft Teams as well as in person at our central London location. The number of regular meetings that each director attended during the financial year is set out below:

	Board (12 meetings)	Audit Committee (3 meetings)	Remuneration Committee (2 meetings)
Rupert Howell	12	3	2
Sophie Tomkins	12	3	2
Phil Machray	12	3	2
Conrad Bona	12	3	2
James Gregory	12	2*	1*
John Kearon	12	1*	-
Chris Willford	12	3*	1*

* by invitation.

Matters reserved for the Board

The Board discusses and reviews all matters and issues which are important to the business. Certain decisions are reserved for the Board, which include:

- approval of the Group’s long-term objectives and strategy;
- approval of the annual operating and capital budget, and any material changes thereto;
- extension of the Group’s activities into new business or geographic areas;
- changes to the Group’s capital structure and/or major changes to corporate structure, including acquisitions, disposals, and investments;
- approval of interim and annual reports, and regulatory or non-routine shareholder communications;
- approval of significant changes in accounting policies or practices;
- approval of share buybacks, dividends and dividend policy;
- assessment of the effectiveness of risk and control processes.

Matters referred to the Board are considered by the Board as a whole and no one individual has unrestricted powers of decision. Where directors have concerns which cannot be resolved in connection with the running of the Group or a proposed action, their concerns would be recorded in the Board Minutes. This course of action has not been required to date.

The provisions on engagement with stakeholders including shareholders, employees and customers are dealt within the Section 172 Report on pages 27 to 33.

Appointment of Directors

The Board formally approves the appointment of all new Directors. Each year at the Annual General Meeting, all Directors retire by rotation and are subject to re-election.

Remuneration Committee

The Remuneration Committee is responsible for determining the specific remuneration and incentive packages for each of the Company’s Executive Directors and keeping under review the remuneration and benefits of all senior executives. Its members are:

Philip Machray – Chairman of the Remuneration Committee
Conrad Bona
Rupert Howell
Sophie Tomkins

The Remuneration Committee's role and responsibilities are to:

- review and approve the remuneration and incentive schemes of Executive Directors, including pension rights, other benefits, and any compensation payments, ensuring that no Director is involved in any decisions as to their own remuneration;
- review and approve the level and structure of remuneration and incentive schemes for senior management;
- select, appoint, and set the terms of reference for any remuneration consultants who advise the Committee;
- approve the payments to Directors under any performance-related pay or share schemes operated by the Group;
- ensure that contractual terms on termination of any Director are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- approve any major changes in employee benefits structures throughout the Group;
- approve the policy for authorising claims for expenses from the Directors.

The Remuneration Committee schedules two formal meetings per year and meets at other times as necessary. The Remuneration Committee may invite any of the executive directors to attend meetings of the Remuneration Committee. The Remuneration Committee may use consultants to advise it in setting remuneration structures and policies. It is exclusively responsible for appointing such consultants and setting their terms of reference.

The Annual Statement from the Remuneration Committee Chair is set out in the Remuneration Committee Report on page 48.

Audit Committee

The Audit Committee is responsible for ensuring the financial performance of the Group is properly monitored and reported on to shareholders, reviewing the Group's financial systems and controls, and overseeing the Group's risk management. Its members are:

Sophie Tomkins – Chair of the Audit Committee

Conrad Bona

Rupert Howell

Philip Machray

The Audit Committee's role and responsibilities are to:

- monitor the integrity of the financial statements of the Group;
- review significant financial reporting matters;
- review the Group's internal financial controls and risk management systems;
- make recommendations to the Board, for it to put to the shareholders for their approval in relation to the appointment of the external auditor and to approve appropriate remuneration and terms of reference for the external auditor;
- discuss the nature, extent and timing of the external auditor's procedures and discussion of external auditor's findings;
- monitor and ensure the external auditor's independence and objectivity and the effectiveness of the audit process;
- develop and implement policy on the engagement of the external auditor to supply non-audit services;
- report to the Board, identifying any matters in respect of which it considers that action or improvement is required; and
- ensure a formal channel is available for employees and other stakeholders to express any complaints in respect of financial accounting and reporting.

Board effectiveness

In line with best practice governance, the Group's Senior Independent Director recently concluded the annual review of the Chair. This involved confidential discussions with the independent Directors, to act as a sounding board for any concerns, and to ensure that the Board is functioning optimally. The review concluded that the Board meetings and Board matters were being run well, with all Directors given full opportunity to express views and ask questions of the Executive, and with clear goal setting and follow up of action points.

Additionally, this year's Board Evaluation was internally facilitated and gathered the feedback of Directors across a series of questions addressing the effectiveness of the Board and its Committees. It included a number of key topics including:

- the effectiveness of the Board in setting strategy and assessing risk;
- the relationship between the CEO and Chair;
- that decision making was balanced and objective and took active account of relevant stakeholder issues;
- shareholder relations and communications;
- that the Board was effective and responsive to new information and events; and
- that the Board had the appropriate composition and skills to discharge its duties, and had sufficient process in place for regular self-assessment.

Overall, the Board Evaluations have indicated that Board processes are robust, and previous areas highlighted by the Evaluation, such as Strategy Deep Dives and Risk Reviews, have been comprehensively addressed. The Board aims to meet face to face as often as possible, and continues to review practical and transparent ways of engaging with its shareholders.

A number of actions were agreed as part of this year's process, including revisiting succession planning, reviewing all the Committee's Terms of Reference, and reviewing the communication mechanisms used by the Board.

The skills and experience of the Board are set out in their biographical details on page 45. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. The Board meets regularly with external experts including the NOMAD to ensure that it remains abreast of developments and current best practice.

All Directors undertook a thorough induction process on joining the Board, tailored to the existing knowledge and experience of the Director concerned.

The Group maintains communication with a wide range of stakeholders to ensure that their needs, interests and expectations are understood and reflected within the Group's strategy and in Board decision making. Further details of how the Board has taken account of the needs of the Group's stakeholders are set out on pages 20 to 25.

Succession planning

The Board, led by the Chairman, carries out ongoing assessments as to the succession needs and planning of the Board. Senior management appointments are made by the Executive Directors, who carry out ongoing assessments of succession needs and skills gaps across the business. Compensation arrangements for key appointments are overseen by the Remuneration Committee.

In April 2025, we also established a dedicated Nominations Committee to support Board composition, leadership planning and succession. The Committee comprises of four Non-Executive Directors, chaired by Phil Machray, and is responsible for ensuring the Board and senior leadership retain the right mix of skills, diversity and continuity to support the Group's strategy.

The Board

Conrad Bona

Independent Non-Executive Director

Conrad joined System 1 Group in September 2022 as a Non-Executive Director. Conrad is a business consultant, investor and entrepreneur who started his career as a banking and finance lawyer and has worked in Toronto, London and Tokyo. He has a degree in economics from the University of Western Ontario, law degrees from the University of Edinburgh and the University of New Brunswick and qualified to practise as a lawyer in multiple jurisdictions. No longer practising law, Conrad now advises companies on a wide range of commercial, financial and business matters. He has both Canadian and British citizenship and is based in London, England.

Favourite ad of all time: John Lewis *Monty the Penguin*

James Gregory

Chief Executive Officer

James Joined System1 Group as Chief Operating Officer in 2021 and was appointed CEO in December 2023. Prior to joining System1, James worked at HomeServe Plc as Chief of Staff, Tesco Plc as Online Director, and Capgemini Consulting. He brings 16 years of leadership experience in strategy and transformation, operations and commercial management across digital, distribution and online retail environments. Past roles involved scaling digital businesses, initiating and leading large scale, complex transformations, and delivering new customer propositions.

Favourite ad of all time: John Smiths *Peter Kay, 'Ave It*

Rupert Howell

Independent Non-Executive Chairman

Rupert joined System1 Group in 2021 as a Non-Executive Director and became Chairman in September 2022. He founded a multi-award-winning ad agency HHCL (named 1 of the top 10 ad agencies of all time). Rupert was then CEO of Chime Communications PLC, President EMEA of McCann Erickson, PLC Executive Director at ITV PLC, Chairman of Matomy Media, and Executive Director of Reach PLC. He is Co-founder/Chairman of Pinwheel, the sustainability and planet repair platform, and Chairman of Synapse Technologies the PR & Journalist marketplace.

Favourite ad of all time: Tango *Slap*

John Kearon

Founder and President

John (“JK”) founded the Company in 1999 and remains its largest shareholder. During over 20 years as CEO, JK steered System1 from a start-up to where it is today, shaking up traditional market research with fresh innovative thinking & game-changing

methods. Before System1, JK founded innovation agency, Brand Genetics, after being Planning Director at Publicis, and holding various research/marketing positions at Unilever.

Favourite ad of all time: Coca Cola *Life Argentina*

Philip Machray

Independent Non-Executive Director

Phil joined System1 Group in 2022 as a Non-Executive Director and was appointed Chair of the Remuneration Committee in December 2022. He started his career at Deloitte in 1992, rising to Director of Assurance and Advisory. He then joined Trinity Mirror Group, where he held a number of roles, and became Director of Corporate Development, reporting to the CEO, of what became Reach PLC. Since 2021, Phil has worked at Merit Group, a data and intelligence business, as Chief Financial Officer and since January 2024 Chief Executive Officer. Phil serves as a Non-Executive Director of Digitalbox, a mobile-first digital publisher and AIM-listed company.

Favourite ad of all time: John Smiths *Peter Kay, 'Ave It*

Sophie Tomkins

Independent Non-Executive Director

Sophie joined the Board as Non-Executive Director in June 2018, became Audit Committee Chair in June 2019 and Senior Independent Director in August 2021. Her career included nearly two decades as a London-based stockbroker, focusing mainly on high growth small to mid-cap companies. She started at Cazenove & Co, and became more entrepreneurial, at both Collins Stewart, and then Fairfax. As a City Analyst, and then Head of Equities, Sophie advised numerous companies and Boards on a huge range of high-profile IPOs and M&A deals. She is currently Non-Executive Director and Audit Committee Chair of Virgin Wines UK PLC and Wilmington PLC. Sophie is also a qualified Chartered Accountant.

Favourite ad of all time: Yellow Pages *JR Hartley*

Chris Willford

Chief Financial Officer

Chris joined System1 Group in 2020 as Chief Financial Officer. A Chartered Management Accountant, he built his career with blue chip consumer businesses including Unilever, British Airways (Group Treasurer) Barclays (Finance director of Corporate Bank and UK Retail Bank) and Bradford & Bingley (Group Finance Director). Prior to joining System1 in 2020, Chris worked as a consultant with a portfolio of scale up media and tech businesses.

Favourite ad of all time: Skoda *Cake*

Board skills and experience

	Sales and marketing	Technology	Finance	Governance	Sustainability
Conrad Bona		★	★	★	★
James Gregory	★	★			★
Rupert Howell	★	★		★	★
John Kearon	★	★			★
Phillip Machray		★	★	★	
Sophie Tomkins		★	★	★	
Chris Willford		★	★	★	

Audit Committee Report

The Audit Committee is responsible for ensuring that the financial performance of the Group is properly reported and reviewed. Its role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

Members of the Audit Committee

The membership of the Committee is set out on page 43 of the Corporate Governance Report. All members of the Committee are independent Non- Executive Directors. The Chief Financial Officer routinely attends the Audit Committee meetings by invitation, but other Executive Directors or members of the management team may also be invited to attend meetings as required. The Non-Executive Directors are provided an opportunity at the Audit Committee meetings to discuss matters with the Auditors without the presence of the Executive Directors.

The Board is satisfied that the Chair of the Committee has recent and relevant financial experience. Sophie is a Chartered Accountant and is also Chair of the Audit Committee at Virgin Wines UK plc, and at Wilmington PLC. The Audit Committee meets at least twice a year and more frequently if required and has unrestricted access to the Group's auditor. Attendance at Board and Committee meetings is set out in the Corporate Governance Report on page 42.

Duties

The main duties of the Audit Committee are set out in its terms of reference, which are summarised on page 43 and available on the Group's website (system1group.com/investors).

The work carried out by the Audit Committee during FY25 comprised the following:

- ensuring the financial performance of the Group is being properly measured and reported on;
- review of the audit plan;
- consideration of key audit matters and how they are addressed;
- going concern review;
- review of suitability of the external auditor;
- review of the financial statements and Annual Report;
- review of the appropriateness of the Group's accounting policies and judgements made in the preparation of the financial statements, and adequacy of the disclosures made therein;
- consideration of the external audit report and management representation letter;
- review of the risk management and internal control systems;
- meeting with the external auditor without management present;
- review of anti-bribery policy and whistleblowing arrangements

Role of the external auditor

The Audit Committee monitors the relationship with the external auditor to ensure that auditor independence and objectivity are maintained. As part of this role, the Committee reviews the non-audit fees of the auditor. Non-audit fees paid to HaysMac in the year under review pertain to the review of the Interim Statement.

Auditor Performance

The Audit Committee also assesses the auditor's performance. The Committee has adopted a broad framework to review the effectiveness of the Group's external audit process and audit quality which includes: assessment of the audit partner and team with particular focus on the lead audit engagement partner; planning and scope of the audit, with identification of particular areas of audit risk; the planned approach and execution of the audit; management of an effective audit process; communications by the auditors with the Committee; how the audit contributes insights and adds value; a review of independence and objectivity of the audit firm; and the quality of the formal audit report to shareholders. The Audit Committee recommends that HaysMac be appointed as the Group's auditor at the next AGM. On the 18 November, the Group's auditor changed its name from Haysmacintyre LLP to HaysMac LLP.

Areas of key significance in the preparation of the financial statements

Prior to publication of this Annual Report and Accounts, the Committee reviewed the accounting policies and significant judgements and estimates underpinning the financial statements as disclosed in notes to the consolidated financial statements.

Significant focus is placed on key accounting policies, including any judgements and estimates, which underpin the financial statements, which include:

- revenue recognition;
- capitalisation and valuation of intangibles;
- valuation and recognition of share-based payments

Further detail on the approach to these areas can be found in Note 4 to the financial statements.

Audit process

The auditor prepares an audit plan for the review of the full period financial statements. The audit plan sets out the scope of the audit, areas to be targeted and audit timetable. This plan is reviewed and agreed by the Audit Committee. Following the audit, the auditor presents its findings to the Audit Committee for discussion. No major areas of concern were highlighted by the auditor during the period; however, areas of significant risk and other matters of audit relevance are regularly communicated.

Internal audit

At present the Group does not have an internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one. During FY25, the Audit Committee commissioned a limited scope internal audit review of key operating processes by an external advisor.

Risk management and internal controls

As described throughout the Annual Report and the Corporate Governance section of the Group's website (system1group.com/investors), the Group has established a framework of risk management and internal control systems, policies, and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the period, the Committee has reviewed the framework, and the Committee is satisfied that the internal control systems in place are currently operating effectively.

Whistleblowing

The Group has in place a process whereby employees can discuss concerns confidentially, including a channel of communication directly with our non-executive Directors. The Committee is comfortable that the current policy is operating effectively.

Anti-bribery

The Group has in place an anti-bribery and anti-corruption policy which sets out its zero-tolerance position and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption issues. The Committee is comfortable that the current policy is operating effectively.

Sophie Tomkins
Chair, Audit Committee

Remuneration Committee Report

Annual statement from the Remuneration Committee chair, Philip Machray

Dear Shareholder,

The Remuneration Committee sets the strategy, structure, and levels of remuneration for the Executive Directors and reviews the remuneration of senior management, to ensure alignment of objectives and incentives throughout the business in pursuit of the Group's stated objectives. The membership and terms of reference of the Remuneration Committee are set out in the Corporate Governance Report.

This Remuneration Report is split into two parts:

1. The directors' *remuneration policy* sets out the Company's policy on directors' remuneration, and the key factors that were considered in setting the policy
2. The *annual report* on remuneration sets out payments and awards made to the directors for the year to 31 March 2025.

There are three elements in director remuneration:

- Base salary
- Bonus (STIP)
- Long term incentive plan (LTIP) Benefits

The Committee regularly reviews the appropriateness of remuneration across the Group and is satisfied that an appropriate reward structure exists below Board level to recognise and retain our top talent.

Directors' remuneration policy

The policy described in this part of the Remuneration Report is intended to apply for four years beginning in FY26 to FY29 and covers Executive Directors and a small number of other senior managers ("Executives").

The Remuneration Committee considers the policy annually to ensure that it remains aligned with business needs and is appropriately positioned relative to the market.

The Committee has based the Executive reward structure on the long-term organic growth strategy of the business. If successful, this will deliver significant shareholder value, and Executive rewards are designed to correlate with the key driver of that value (primarily revenue growth).

Fixed annual elements – including salary, pension, and benefits – are to recognise the responsibilities and leadership roles of our Executives and to ensure current and future market competitiveness. Variable elements – including bonuses and Long-term incentives are to motivate and reward them for delivering the Group's strategy and making the Group successful on a sustainable basis.

The balance of variable elements, between short-term and long-term awards, is designed to focus decision making on delivering shareholder value.

Base salary and benefits

FY24 and FY25: Base salary is paid in 12 equal monthly instalments during the year. Salaries are reviewed annually, and any changes are effective from the beginning of the Group's financial year (which is 1st April). Benefits comprise money purchase pension contributions of up to 6% of salary, private medical and dental insurance, life insurance and long-term disability insurance.

Bonuses

In FY25 Executive Directors participated in a short-term incentive plan (STIP) under which they could earn cash bonuses linked to their salary, for achievement of annual targets for Gross Profit and Adjusted Profit before Taxation. On target performance equated to a 100% of salary award to James Gregory, 70% of salary for Chris Willford and 40% of salary for John Kearon. STIP reward was capped at 2x the on-target %. Actual achievement in the period was slightly ahead of target for both measures, resulting in respective payouts of 114%, 79% and 45%.

The long-term incentive plan

The 2021 LTIP effectively came to an end with the conclusion of the FY25 results, with the performance conditions having not been met and all outstanding awards fully expected to lapse before or on 12 August 2025.

Following consultation with shareholders, a new 2025 LTIP scheme was introduced covering the period from 2025 to 2029. I wish to thank those shareholders whom contributed to the consultation process, their insight being a valuable contribution in the Committees' determination of the new LTIP parameters.

2021 LTIP

The Threshold Target of £45m Revenue of the 2021 LTIP was not achieved, the non-market performance conditions have not been satisfied within the specified time-period and all accumulated charges have been released in full to the income statement. A new 2025-2029 scheme was announced in May 2025 and participants in the new 2025 scheme waived any residual entitlement regarding change of control between 31 March 2025, and the publication of these financial statements, upon which date all outstanding options under the 2021 LTIP lapse.

At 31 March 2025, there were three Executive Director participants in the 2021 LTIP (James Gregory, John Kearon and Chris Willford) and seven senior manager participants. The specific vesting levels are set out as follows:

Equity level shares	No.	Of issued shares	Revenue target	
Executive Directors	154,311	1.2%	£45.0m	Threshold
	308,623	2.3%	£88.0m	Stretch
	462,934	3.5%		
Senior Managers	230,023	1.7%	£45.0m	Threshold
	460,047	3.5%	£88.0m	Stretch
	690,070	5.2%		

In May 2025 James Gregory and Chris Willford waived their 2021 LTIP awards. The remaining awards lapsed on the publication of these financial statements.

Non-employee plan

As at 31 March 2025, Stefan Barden retained 46,995 of his Tranche 1 options. All remaining options under this scheme lapsed upon the publication of these financial statements.

2024 Executive option scheme

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory. These awards will vest on 17 July 2026 if he remains in office at that time and are subject to no other performance conditions.

2025 LTIP

Under the 2025 LTIP, the Company has granted nil-cost options over ordinary shares of 1p each in the Company to members of its executive team, including two Executive Directors of the Company who are persons discharging managerial responsibilities (“PDMRs”). For the PDMRs and certain members of the executive team the awards detailed below replace the options granted to them under 2021 LTIP which have now been cancelled.

Key Terms of the 2025 LTIP:

The Options vest over three vesting dates starting at the end of July 2027, subject to the achievement of threshold performance levels related to Revenue and Adjusted Profit Before Tax for the year ending 31 March 2027 of £46m and £5.9m respectively (“Threshold”),

Full vesting of Options on the achievement of performance targets as follows:

- Revenue of £60m, £71.0m and £85.0m for the year ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively; and
- Adjusted Profit Before Tax¹ of £10.5m, £15.3m and £20.0m for the year ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively.
- together (“Target”).
 - 12.5% of the Options vest on achievement of Threshold, with proportional vesting from the Threshold through to 100% on achievement of Target performance. Revenue weighting is 60%, Adjusted Profit Before Tax¹ weighting is 40%.

¹ Profit before tax plus share-based payment expenses

- First vesting 31 July 2027, second vesting 31 July 2028 and final vesting 31 July 2029.
- Maximum 50% vesting by 31 July 2027, 75% by 31 July 2028 and 100% by 31 July 2029.
- Share price underpin of £6.35 – equivalent to circa £80m market capitalisation – applies to the three vesting dates, being 31 July 2027, 31 July 2028 and 31 July 2029.
- A maximum of 10% of the total share capital is capable of being awarded under the 2025 LTIP. 3.5% is initially awarded to Executive Directors and 4.5% to the wider executive team, with the balance currently reserved for new participants, if required.
- Vested shares, adjusted for the sale of ordinary shares to satisfy tax liabilities arising on exercise of Options, will be subject to a mandatory one-year holding period following each vesting date.

Dilution

There are no outstanding vested options at 31 March 2025 (2024: 10,144 options under the 2010 – 2014 LTIP).

Unvested options at 31 March 2025 comprise options granted under the 2019 and 2021 LTIP schemes, the Non-Employee Plan, and the Executive option scheme, all described above. The maximum aggregate dilution under these schemes is 9.7% of the Company’s voting shares.

Non-Executive Directors

Non-Executive Directors do not participate in any of the Company’s incentive arrangements, nor do they receive any benefits. Their fees are reviewed periodically and set by the Board as a whole.

Remuneration of all employees

All employees are entitled to base salary, benefits, and a discretionary annual bonus or commissions.

Director service contracts and policy on payment for loss of office

All the Executive Directors have service contracts. The agreements include restrictive covenants which apply during employment and for a period of 6 months after termination. All the Executive Directors’ service contracts can be terminated on six months’ notice in writing by either the Company or the director.

Annual report on remuneration

Remuneration for Executive Directors

	Salary £	Back-dated salary* £	Payment in lieu of pension £	Bonus £	Benefits £	Pension £	Total £
Year ended 31 March 2025 (audited)							
James Gregory	285,000	-	-	327,411	-	18,497	630,908
John Kearon	190,000	-	-	87,310	4,661	11,930	293,901
Chris Willford	210,000	-	12,600	168,875	4,838	-	396,313
Total	685,000	-	12,600	583,596	9,499	30,427	1,321,122

	Salary £	Back-dated salary* £	Payment in lieu of pension £	Bonus £	Benefits £	Pension £	Total £
Year ended 31 March 2024 (audited)							
James Gregory	262,500	26,167	-	158,041	222	19,840	466,7702
John Kearon	190,000	-	-	158,041	4,644	8,081	360,766
Chris Willford	210,000	-	12,600	158,041	4,940	-	385,581
Total	662,500	26,167	12,600	474,123	9,806	27,921	1,213,117

*Included with remuneration is an element of salary contractually agreed in April 2023 in respect of services rendered from 6 December 2022 (appointment as Chief Executive Officer) to 31 March 2023.

This Annual report on Remuneration discloses the highest paid director in the year.

Directors’ interests

The Directors who held office at 31 March 2025 held the following shares in the Company as at that date:

	No	%	Dividends received in the year
John Kearon	2,818,235	22.2%	140,217
Chris Willford	33,666	0.3%	1,683
Conrad Bona	28,712	0.2%	1,320
James Gregory	15,384	0.1%	769
Philip Machray	15,380	0.1%	769
Rupert Howell	11,000	0.1%	500
Sophie Tomkins	8,000	0.1%	400

Directors’ interests in options over shares and conditional shares of the Company are shown below.

	Date of grant	Earliest exercise date	Exercise price	No. at 1 Apr 2024	Granted in year	Cancelled in year	No. at 31 Mar 2025
James Gregory	27/10/2021	12/08/2022	0.0p	132,267	30,103	-	162,370
John Kearon	04/09/2019	12/08/2022	0.0p	198,400	-	-	198,400
Chris Willford	27/11/2020	12/08/2022	0.0p	132,267	-	-	132,267

There were no equity awards or vesting of options other than under the LTIP as set out in the directors’ remuneration policy.

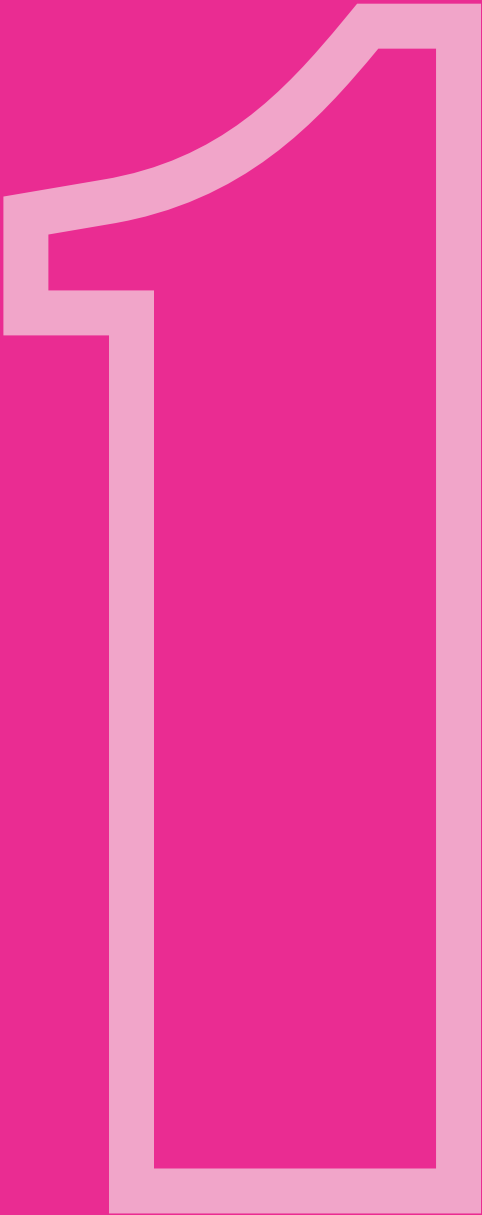
Fees for Non-Executive Directors (audited)

The Non-Executive Directors received fees, but no other benefits, as follows.

	2025 £	2024 £
Conrad Bona	38,000	38,000
Philip Machray	40,000	39,849
Rupert Howell	52,000	42,000
Sophie Tomkins	46,000	40,000
	176,000	159,849

Philip Machray
Chair, Remuneration Committee

Independent Auditors' Report



Independent Auditors' Report to the Members of System1 Group PLC

Opinion

We have audited the financial statements of System1 Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise:

Group	Company
The Consolidated Income Statement; the Consolidated Statement of Comprehensive Income; the Consolidated Statement of Changes in Equity; the Consolidated Balance Sheet; the Consolidated Statement of Cash flows; and related notes to the financial statements	the Company Statement of Changes in Equity; the Company Balance Sheet; and related notes to the financial statements

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 101 "Reduced Disclosure Framework" (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 31 March 2025 and of the group's profit for the period 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
- 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 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.

An overview of the scope of our audit

The Group consists of 13 components, located in various geographical territories. All components are trading apart from System1 Agency Limited and System1 AdRatings Limited, which are dormant. Three UK components, System1 Research Limited, System1 Agency Limited and System1 AdRatings Limited are exempt from statutory audit requirements but audit work on these was performed to component level materiality where considered appropriate.

The scope of the audit and our audit strategy was developed by using our audit planning process to obtain an understanding of the Group, its activities, its internal control environment, current, and where relevant to our audit, likely future developments.

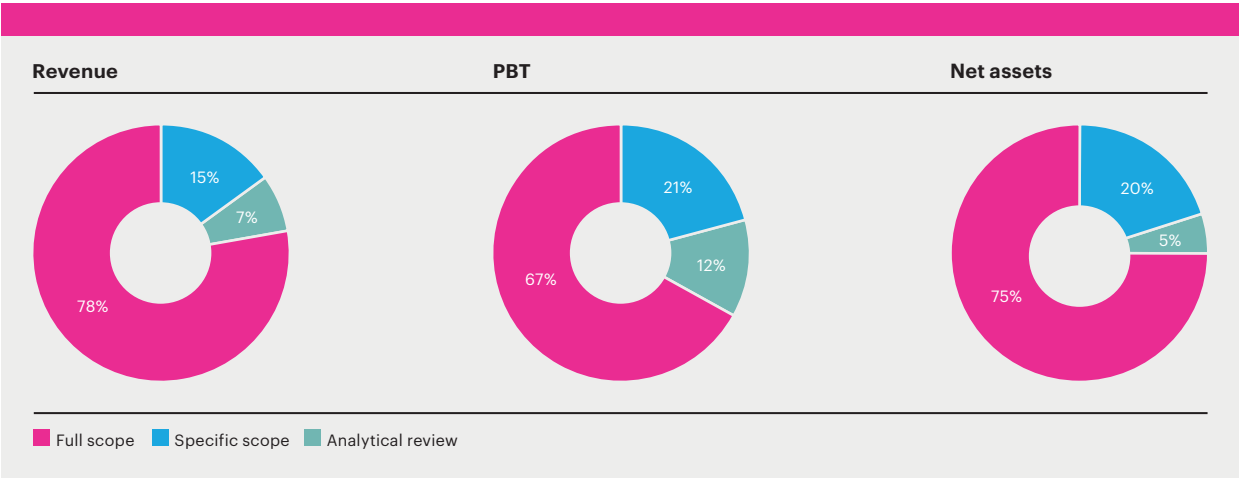
Our audit testing was informed by this understanding of the Group and accordingly was designed to focus on areas where we assessed there to be the most significant risks of material misstatement.

Audit work to respond to the assessed risks was performed directly by the audit engagement team who performed full scope audit procedures on the Parent Company and the Group as a whole.

Our audit planning and risk assessment identified 3 components (one of which was System1 Group PLC, the Parent company) which were categorised as full scope audits. One component was deemed to be material to the group and specific scope procedures were performed. The remaining components were deemed to be out of scope (analytical review components), however it was decided as part of our group scoping that we would perform specific audit procedures over revenue across all components to achieve 100% coverage of this balance. Further information around these procedures is disclosed within the key audit matters section of this report.

Independent Auditors' Report to the Members of System1 Group PLC continued

The below graphs summarise the monetary coverage achieved through our audit procedures:



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 ability to continue to adopt the going concern basis of accounting included:

- Discussing management's assessment of the group's ability to remain a going concern;
- Reviewing and understanding the cash flow forecasts for the period to end of July 2026 which are the central element of management's going concern assessment;
- Assessing and challenging the inputs in and judgements made in the preparation of the cash flow forecasts for the period to the end of July 2026; and
- Performing stress tests including sensitivity analysis to model the effect of changing assumptions made or amending key data used in management's cash flow forecasts and considering the impact on the group's ability to adopt 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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In determining the key audit matters we considered the:

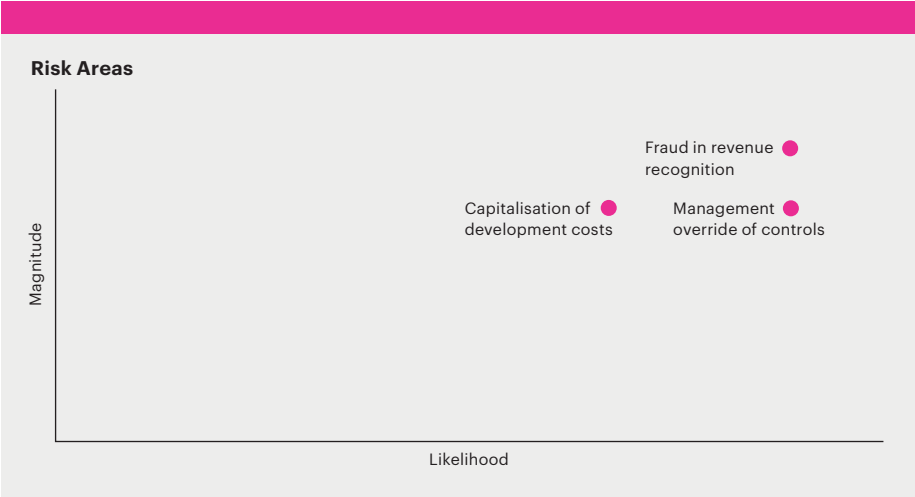
- Areas of higher risks of material misstatement or significant risks identified in accordance with ISA (UK) 315
- Significant audit judgements on financial statement line items that involved significant management judgement such as accounting estimates, and
- The impact of significant events and transactions during the period covered by the audit.

The following table summarises the key audit matters we have identified and rationale for their identification together with how we responded to each in our audit and our key observations. The table also shows how our judgement of the magnitude of each risk has changed since the previous audit.

Revenue recognition (Group)

<p>Key audit matter</p>	<p>The Group’s revenue recognition policy is included within the accounting policy in Note 4 of the financial statements.</p> <p>During the year ended 31 March 2025, the Group have recognised revenues of £37,426k (2024: £30,019k). The Group recognises revenue largely at the point in time at which the final written debrief becomes available to the customer. This is deemed by management to be the point at which the performance obligations are satisfied, and control is transferred to the customer.</p> <p>The application of the five-step model of IFRS 15, in particular determining whether a contract exists with a customer, and the determination of whether the performance obligations included in such contract have been satisfied, involves judgement. Revenue is also deemed to be a key metric to users of the financial statements. As a result, this was deemed to be an area of high importance in the Group audit and was therefore determined to be a key audit matter.</p>
<p>How we addressed the key audit matter in the audit</p>	<p>In response to this risk, our work consisted of, but was not limited to, the following audit procedures in respect of all full scope and specific scope components:</p> <ul style="list-style-type: none"> • We gained an understanding of key processes and controls relating to the revenue process and revenue recognition, through the documentation of walkthrough procedures for each material revenue stream to assess the design and implementation of controls; • We assessed the Group’s accounting policy for each revenue stream with reference to the five-step model of IFRS 15, “Revenue from Contracts with Customers”; • We performed a substantive review over the occurrence of revenue through reconciling cash receipts in the period to the nominal ledger; • We performed substantive testing over a sample of transactions recorded in the nominal ledger to supporting documentation to demonstrate the performance obligations were met and revenue recognised appropriately in the year; • We performed test of details for transactions In March 2025 and April 2025, obtaining evidence to demonstrate the performance obligations were satisfied in the period in which the transaction had been recognised; • Using Data Analytical procedures, we performed a review of entries posted to revenue accounts in the period to determine entries which did not follow the expected flow of transactions; and • We performed an analytical review of revenue and gross profit from 1 April 2024 to 31 March 2025 to assess the cut off of revenue by comparing actuals to our expectation. We obtained supporting rationale for any variances outside of our expectations. <p>In addition to the above procedures performed over the full scope components, we also performed substantive analytical review procedures in respect of all other out of scope components, providing 100% coverage over the Group’s revenue as at the 31 March 2025.</p>

Independent Auditors' Report to the Members of System1 Group PLC continued



Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Group Financial Statements

Materiality	£480,000 (2024: £278,000)
Benchmark	<p>Materiality for the Group was determined to be 1.25% (2024: 1%) of total forecast Group revenues for the period, based on the point at which we performed our audit planning and risk assessment.</p> <p>Revenue is a key metric to management and users of the financial statements, and as such was deemed the most appropriate benchmark for determining materiality.</p> <p>We also considered other important metrics in determining materiality for the Group, and the chosen revenue materiality fell within the acceptable range for these alternative metrics, including EBITDA and Net Profit.</p> <p>Whilst Group revenues finished slightly lower than the initial expectation, we elected to not adjust Group materiality to reflect 1.25% of actual Group revenues. Our materiality therefore reflected 1.28% of Group revenues.</p>
Basis for, and judgements used in the determination of materiality	<p>Revenue is a key metric to management and users of the financial statements, and as such was deemed the most appropriate benchmark for determining materiality. The Group's long term strategic plans highlight a focus on revenue growth.</p> <p>We also considered other important metrics in determining materiality for the Group, such as profit based metrics, and the chosen revenue materiality fell within the acceptable range for these alternative metrics.</p>

Parent Company Financial Statements

Materiality	£100,000 (2024: £98,700)
Benchmark	Materiality for the Parent company was determined to be 1.25% (2024: 1%) of total assets. The Parent company is a holding company for investments in subsidiaries, intercompany balances and intangible assets, and as such total assets is deemed to be an important metric to users of the Parent company financial statements.
Basis for, and judgements used in the determination of materiality	The Parent company is a holding company for investments in subsidiaries, intercompany balances and intangible assets, and as such total assets is deemed to be an important metric to users of the Parent company financial statements.

Performance materiality – Based on our risk assessment and our review of the Group’s control environment, performance materiality was set at 70% of materiality, being £336,000 (2024: £181,000). We determined performance materiality to be 70% for the Group and all full scope components on the basis that there are no significant control weaknesses across the Group. We do note that the entity is AIM listed and therefore is a higher level of risk. We evidenced effective controls in place which mitigate the risk of misstatement and have obtained evidence to support their effectiveness through our assessment of controls and walkthrough procedures. We typically set performance materiality between 50% and 75% of materiality.

Performance materiality for the Parent company was set at 70% of materiality being £70,000 (2024: £64,200).

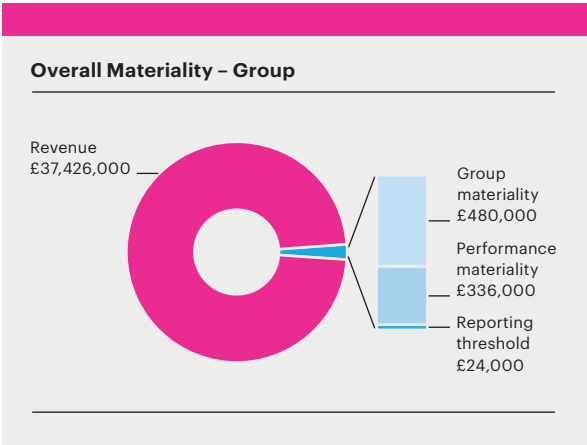
Reporting threshold – The reporting threshold to the audit committee was set as 5% of materiality, being £24,000 (2024: £13,900).

Reporting threshold for the Parent company was set at 5% of materiality, being £5,000 (2024: £4,940).

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



Independent Auditors' Report to the Members of System1 Group PLC continued

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 period 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 its 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements in respect of employment law, including but not limited to minimum wage regulation, and food standards requirements. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate manual journal entries to revenue and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- The evaluation of management's controls designed to prevent and detect irregularities;
- The identification and review of manual journals, in particular journal entries which shared key risk characteristics; and
- The review and challenge of assumptions, estimates and judgements made by management in their recognition of accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

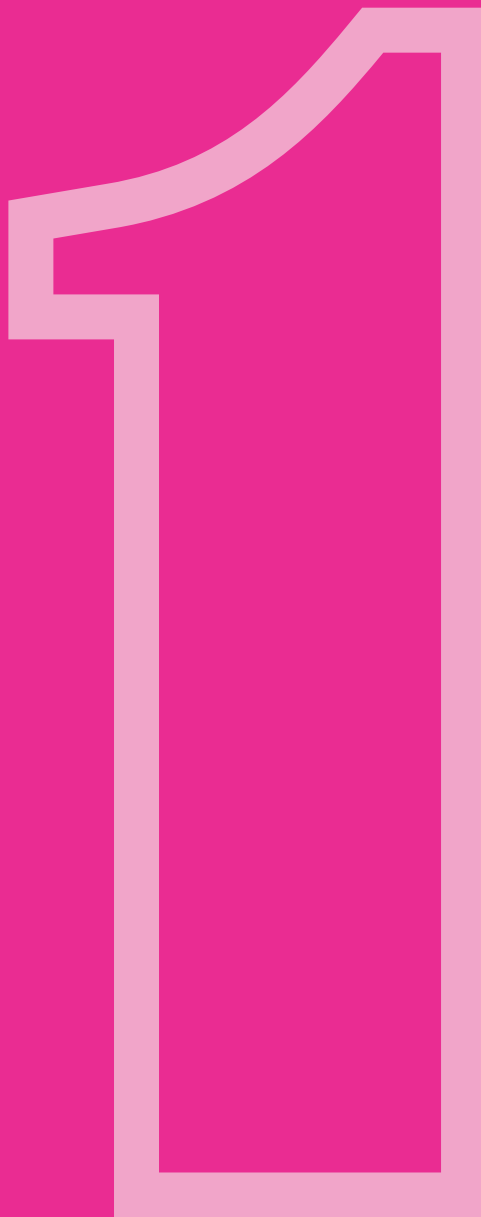
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Jon Dawson (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG
9 July 2025

Financial Report



Consolidated Income Statement

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Revenue	5	37,426	30,019
Cost of sales	16	(4,565)	(3,898)
Gross profit		32,861	26,121
Administrative expenses	16	(27,975)	(23,434)
Other operating income	17	381	413
Operating profit		5,267	3,100
Finance income	20	62	44
Finance expense	20	(26)	(35)
Profit before taxation	21	5,303	3,109
Income tax (expense)/credit	21	(830)	(1,076)
Profit for the financial period		4,473	2,033
Attributable to the equity holders of the Company		4,473	2,033

Earnings per share attributable to equity holders of the Company			
Basic earnings per share	23	35.3p	16.0p
Diluted earnings per share	23	35.2p	16.0p

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

All of the activities of the Group are classed as continuing.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2025

	2025 £'000	2024 £'000
Profit for the financial year	4,473	2,033
Other comprehensive income:		
Items that may be subsequently reclassified to profit/(loss)		
Currency translation differences on translating foreign operations	(255)	(72)
Other comprehensive income for the period, net of tax	(255)	(72)
Total comprehensive income for the period attributable to equity holders of the Company	4,218	1,961

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

as at 31 March 2025

REGISTERED COMPANY NO. 05940040

	Note	2025 £'000	2024 £'000
Assets			
Non-current assets			
Property, plant, and equipment	6	638	225
Intangible assets	7	1,254	1,578
Deferred tax asset	22	194	151
		2,086	1,954
Current assets			
Contract assets		205	180
Finance lease receivable	9	-	85
Trade and other receivables	10	6,822	7,261
Cash and cash equivalents	8	12,871	9,610
		19,898	17,136
Total assets		21,984	19,090
Equity			
Attributable to equity holders of the Company			
Share capital	11	132	132
Share premium account		1,601	1,601
Merger reserve		477	477
Foreign currency translation reserve		96	351
Retained earnings	4	11,797	8,007
Total equity		14,103	10,568
Liabilities			
Non-current liabilities			
Lease liabilities	15	-	66
		-	66
Current liabilities			
Provisions	12	-	6
Lease liabilities	15	526	280
Contract liabilities	14	758	1,137
Income taxes payable		643	470
Trade and other payables	13	5,954	6,563
		7,881	8,456
Total liabilities		7,881	8,522
Total equity and liabilities		21,984	19,090

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

These financial statements were approved by the directors on 9 July 2025 and are signed on their behalf by:

James Gregory	Chris Willford
Director	Director

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash generated from operations	25	6,199	6,430
Tax paid		(687)	(499)
Net cash generated from operating activities		5,512	5,931
Cash flows from investing activities			
Purchases of property, plant, and equipment	6	(127)	(97)
Purchase of intangible assets	7	(468)	(736)
Net cash used by investing activities		(595)	(833)
Net cash flow before financing activities		4,917	5,098
Cash flows from financing activities			
Interest received		61	36
Interest paid		(26)	(35)
Property lease liability payments		(732)	(1,121)
Dividends paid to shareholders	24	(634)	-
Net cash used by financing activities		(1,331)	(1,120)
Net increase in cash and cash equivalents		3,586	3,978
Cash and cash equivalents at beginning of year		9,610	5,719
Exchange loss on cash and equivalents		(325)	(87)
Cash and cash equivalents at end of year		12,871	9,610

Office lease costs are not included within “Net cash flow before financing activities” (the Company’s key cash flow performance indicator). “Net cash flow before financing activities”, adjusted for office leases, known by the Company as “Operating cash flow” is shown below:

	2025 £'000	2024 £'000
Net cash flow before financing activities	4,917	5,098
Net cash flow for property leases	(758)	(1,156)
Operating cash flow	4,159	3,942

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows continued

for the year ended 31 March 2025

Consolidated Movements in Net Cash and Financing Activities

	Cash and cash equivalents £'000	Lease liabilities £'000	Total £'000
At 1 April 2023	5,719	(1,456)	4,263
Cash flows	3,978	1,156	5,134
Non-cash charges:			
- Interest on lease liabilities	-	(34)	(34)
- New lease liabilities	-	(175)	(175)
- Disposal of lease liabilities	-	163	163
- Exchange and other non-cash movements	(87)	-	(87)
At 31 March 2024	9,610	(346)	9,264
At 1 April 2024	9,610	(346)	9,264
Cash flows	3,586	758	4,344
Non-cash charges:			
- Interest on lease liabilities	-	(26)	(26)
- New lease liabilities	-	(955)	(955)
- Disposal of lease liabilities	-	42	42
- Exchange and other non-cash movements	(325)	1	(324)
At 31 March 2025	12,871	(526)	12,345

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended ended 31 March 2025

	Note	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
At 31 March 2023		132	1,601	477	423	5,974	8,607
Profit for the financial year		-	-	-	-	2,033	2,033
Other comprehensive income:							
- currency translation differences		-	-	-	(72)	-	(72)
Total comprehensive income		-	-	-	(72)	2,033	1,961
Transactions with owners:							
Employee share options:							
- value of employee services	10	-	-	-	-	-	-
At 31 March 2024		132	1,601	477	351	8,007	10,568
Profit for the financial year		-	-	-	-	4,473	4,473
Other comprehensive income:							
- currency translation differences		-	-	-	(255)	-	(255)
Total comprehensive income		-	-	-	(255)	4,473	4,218
Transactions with owners:							
Employee share options:							
- value of employee services	10	-	-	-	-	(64)	(64)
- deferred tax credited to equity		-	-	-	-	15	15
Dividends paid		-	-	-	-	(634)	(634)
At 31 March 2025		132	1,601	477	96	11,797	14,103

The notes on pages 67 to 90 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

1 General information

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

The Company and its subsidiaries (together the “Group”) provide market research data and insight services. The Chief Executive’s Statement and the Financial Review provide further detail of the Group’s operations and principal activities.

2 Basis of preparation

The Group has prepared its consolidated financial statements in accordance with UK-adopted international accounting standards and applicable law. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with UK-adopted international accounting standards (“UK-adopted IFRS”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The critical accounting judgements and estimates applied in the preparation of the consolidated financial statements are disclosed in Note 4.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the Functional Currency”). The consolidated financial statements are presented in Pounds Sterling (GBP), which is the Company’s functional and presentation currency. The financial statements are presented in round thousands unless otherwise stated.

3 Going concern

The Group has prepared its financial statements on a going concern basis.

As noted in the Financial Review, cash balances and cash flow are healthy, and we will continue to invest in our products, data assets and talent. We ended the year with a cash balance and net cash of £12.9m and net assets at £14.1m (31 March 2024: £9.6m and £10.6m respectively).

The Group has reviewed its financial forecasts for the 12 months from the approval of these financial statements, flexing sensitivity analysis scenarios with external and internal inputs that would represent the Group’s forecast and various downturn scenarios. Our internal assessment of a reasonable worst-case scenario shows that, in the face of a striking negative downturn on System1’s immediate capacity to function, management would respond appropriately by reducing our costs as soon as possible.

The Group is very confident in its ability to respond to an abrupt negative situation, whatever the cause. Our mitigating factors involve an active review cycle of the Group’s performance. The Board reviews the performance of the Group monthly, and senior management has a weekly assessment of sales revenue and gross profit. The Group also reviews its profit forecasts on a monthly basis.

The Group is confident that our strong balance sheet position, in particular the cash balance, will be able to sustain the Group reasonably until July 2026 and beyond.

4 Principal accounting policies

The principal accounting policies adopted are consistent with those of the financial statements for the year ended 31 March 2024.

Standards, amendments and interpretations in issue but not yet effective

The Group adopted the following new pronouncements during the year ended 31 March 2025, which did not have a material impact on the Group’s financial statements:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 (effective for periods commencing on or after 1 January 2024)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (effective for periods commencing on or after 1 January 2024)
- Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (effective for periods commencing on or after 1 January 2024)

4 Principal accounting policies continued

The following standards and amendments, issued before 31 March 2025 with an effective date on or after 1 April 2025, have not been early adopted by the Group, they do not have a material impact on the Group's financial statements:

- Lack of exchangeability – Amendments to IAS 21 (effective for periods commencing on or after 1 January 2025)
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for periods commencing on or after 1 January 2026)

The following standards and amendments, issued before 31 March 2025 with an effective date on or after 1 April 2025, have not been early adopted by the Group, and have not yet been assessed for impact on the Group's financial statements:

- IFRS 18 – Presentation and Disclosure in Financial Statements (effective for periods commencing on or after 1 January 2027)

Basis of consolidation

The Group financial statements consolidate those of the Company and all its subsidiary undertakings drawn up to 31 March 2025.

Subsidiaries are all entities over which the Group has power over the subsidiary, i.e. the Group has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the subsidiary's returns), exposure or rights, to variable returns from its involvement with the subsidiary and the ability to use its power over the subsidiary to affect the amount of the subsidiary's returns.

The Group obtains and exercises control through voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

All intra-group transactions and balances are eliminated on consolidation. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of all property, plant, and equipment to its residual value on a straight-line basis over their expected useful economic lives, which are as follows:

Furniture, fittings and equipment	5 years
Computer hardware	3 to 4 years

The residual value and useful life of each asset is reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on all property, plant and equipment is charged to administrative expenses.

4 Principal accounting policies continued

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. The Group had no such lease arrangements for the years ended 31 March 2025 or 2024.

Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities to reflect the actual and expected effect of exercising extension and termination options in lease arrangements.

Depreciation on all right-of-use assets is charged to administrative expenses.

Finance lease receivables

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

Intangible assets

Software

Costs incurred in the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Costs include professional fees and directly attributable employee costs required to bring the software into working condition. Non-attributable costs are expensed under the relevant income statement heading.

Research and development – internally generated intangible assets

All on-going research expenditure is expensed in the year in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is charged to administrative expenses in the period in which it is incurred.

Furthermore, internally generated software and product development costs are recognised as an intangible asset only if the Group can demonstrate all the following conditions:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) its intention to complete the intangible asset and use or sell it;
- c) its ability to use or sell the intangible asset;
- d) how the intangible asset will generate probable future economic benefits; and among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset;
- f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

4 Principal accounting policies continued

Amortisation

Intangible assets are amortised on a straight-line basis over their expected useful economic lives, which are as follows:

Computer software licenses	5 years
Capitalised development costs	3 years

Amortisation on all intangible assets is charged to administrative expenses.

Impairment of property, plant and equipment, right-of-use assets and intangible assets

At each balance sheet date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Intangible assets not available for use are tested for impairment on at least an annual basis. The recoverable amount is the higher of the fair value less costs to sell and value in use. Cash flows for the determination of value in use are derived from either the incremental contribution attributable to the specific assets or from cost savings arising from the use of the specific assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available on demand.

Contract assets

Contract costs comprise directly attributable external costs incurred in fulfilling customer contracts that relate to incomplete market research projects. The Group assesses at each balance sheet date whether there is objective evidence that contract cost assets are impaired, and provision is made when there is evidence that the Group will not be able to recover all costs incurred under the terms of the customer contract.

Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, which are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws that have been enacted or substantively enacted at the reporting date applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items charged or credited to other comprehensive income or directly to equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets, by reference to the probable recovery of those losses against future taxable profits.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

4 Principal accounting policies continued

Revenue recognition

The Group's revenues are primarily derived from the delivery of research services. Revenue from the Group's research product lines (Platform Revenues and Other Consultancy services) arise from contracts with customers within the scope of IFRS 15 'Revenue from Contracts with Customers' and are recognised on the same basis, as set out below.

Revenue is recognised at a point in time (rather than over time) as the key performance obligation is the delivery of the final written debrief to the customer. The only exception to this is where subscriptions are sold for access to our Test Your Ad database, where revenue is recognised on a straight-line basis across the period of the subscription.

Revenue is recognised only after the results or final written debrief has been delivered to the customer, except on the rare occasion that a large project straddles a financial period end, and that project can be sub-divided into separate discrete deliverables; in such circumstances revenue is recognised on delivery of each separate deliverable, and the transaction price is allocated across the discrete performance obligations by reference to the standalone price for the separate services. Where a contract with a customer requires a purchase order, signed schedule of work or similar document to evidence the right to consideration, revenue is not recognised until the Group receives these documents.

There are no elements of variable consideration in the contracts entered into by the Group. Revenue is measured by reference to the fair value of consideration receivable, excluding sales taxes, discounts and volume rebates.

Other operating income

On 27 September 2021, the Company filed a complaint for trademark infringement, unfair competition and deceptive trade practices at the United States District Court Southern District of New York against System1 LLC ("LLC"), since renamed System1 Inc., an omnichannel customer acquisition marketing provider, over their infringing use of the mark "SYSTEM1". On 30 June 2023 the Company announced that a settlement had been reached with LLC. The parties signed a global agreement which governs the co-existence of their respective use of the "System1" mark in connection with their operations. As part of this agreement, the Company was receiving a fixed undisclosed payment payable in instalments. The final instalment due to the Company was received in November 2024. Amounts received under this arrangement are included within other income.

Cost of sales

Cost of sales includes external costs attributable to customer projects. For the research business, these include respondent sample, data processing, language translation and similar costs.

Employee benefits

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability. The Group operates several defined contribution pension plans. The Group pays contributions to these plans based upon the contractual terms agreed with each employee.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due, and any outstanding amounts due at the reporting date are recognised within accruals.

Share-based payment transactions

The Group issues equity-settled share-based compensation to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest.

Apart from market-based elements of awards, these estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods. The fair value of option awards with time vesting performance conditions are measured at the date of grant using a Black-Scholes based Option Valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value of awards made with market-based performance conditions (for example, the entity's share price) are measured at the grant date using a Monte Carlo simulation method incorporating the market conditions in the calculations. The awards made in respect of the Group's long-term incentive scheme have been measured using

4 Principal accounting policies continued

such a method. At the end of each reporting period, an assessment is made in respect of any non-market conditions with regard to likely vesting, and the estimate is adjusted prospectively as required.

Social security contributions payable in connection with the grant of share options are considered integral to the grant itself, and the charge is treated as a cash-settled transaction.

Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

Provisions

Provisions for sabbatical leave and dilapidations are recognised when:

- a) the Group has a legal or constructive obligation because of past events;
- b) it is probable that an outflow of resources will be required to settle the obligation; and
- c) the amount has been reliably estimated. Where material, the increase in provisions due to passage of time is recognised as interest expense. The provision for sabbatical leave is measured using the projected unit credit method. The provision for dilapidations is measured at the present value of expenditures expected to be required to settle those obligations.

During the year ended 31 March 2024, the Company ceased to operate the sabbatical provision in its entirety, with no previously eligible individuals entitled to any further paid leave under the scheme or any alternate compensation. Accordingly, the provision was released in full.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

The results and financial position of all Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- b) income and expenses for each income statement are translated at average exchange rates; and
- c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the main decision-making body of the Company and Group, which collectively comprises the Executive Directors. The Executive Directors are responsible for allocating resources and assessing performance of the operating segments.

Financial instruments

Financial assets

The Group's financial assets comprise trade and other receivables held at amortised cost. The Group does not possess assets held at fair value through profit or loss. The classification is determined by management at initial recognition, being dependent upon the business model and the contractual cash flows of the assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets arising from contracts with customers are separately presented in accordance with IFRS 15 in the Consolidated Balance Sheet.

4 Principal accounting policies continued

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group's amortised cost financial assets comprise trade and other receivables and cash and cash equivalents in the Consolidated Balance Sheet.

Trade receivables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method. In accordance with IFRS 9, the Group assesses on a forward-looking basis the expected credit losses associated with its financial assets at amortised cost. The Group applies the simplified model to recognise lifetime expected credit losses for its trade and other receivables by making an accounting policy election. The Group assesses expected credit losses based on the ageing of the receivable, the Group's historical experience adjusted for forward looking information, and informed credit assessment. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities arising from contracts with customers are separately presented in accordance with IFRS 15 in the Consolidated Balance Sheet. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities.

Financial liabilities are presented as such in the Consolidated Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement.

Finance costs are calculated to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Accrued income and contract liabilities

Accrued income is recognised when a performance obligation has been satisfied but has not yet been billed. Accrued income is transferred to receivables when the right to consideration is unconditional and billed per the terms of the contractual agreement. The Group is generally paid in arrears for its services and invoices are typically payable within 120 days. In certain cases, payments are received from customers prior to satisfaction of performance obligations and recognised as deferred income. These balances are considered contract liabilities. There is no significant passage of time between the receipt of funds from a customer and the delivery of services, or between the delivery of services to a customer and the receipt of funds when payment is in arrears. The Group does not enter contractual arrangements with significant financing components.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

4 Principal accounting policies continued

Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of direct expenses of the share issue.

Merger reserve

The merger reserve represents the difference between the parent company's cost of investment and a subsidiary's share capital and share premium. The merger reserve in these accounts has arisen from a group reconstruction upon the incorporation and listing of the parent company that was accounted for as a common control transaction.

Common control transactions are accounted for using merger accounting rather than the acquisition method, where this reflects the substance of the transaction.

Foreign currency translation reserve

The foreign currency translation reserve represents the differences arising from translation of investments in overseas subsidiaries.

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity. No gain or loss is recognised on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Significant accounting estimates and judgements

The preparation of the consolidated financial statements requires the Directors and management to make judgements and estimates in respect of certain items where the choice of accounting policy and assumptions applied in determining the judgement or estimate could materially affect the Group's financial position or results at the reporting date.

Capitalisation of development costs - judgement

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable. Furthermore, the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology. The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as short and medium-term economic conditions, technological developments and market changes. Details are contained in note 7.

Impairment of development costs – judgement and estimate

The Group tests annually whether intangible assets, have been impaired by reference to expected future generation of cash from the relevant platforms incorporating the technologies and methodologies developed. In estimating the cash flows the capitalised development costs may generate the directors make judgements, based on budgets and forecasts, about the amount of future profits from the relevant products that will be generated and the timing of when these will be realised. Furthermore, where new technology is acquired through an acquisition, management consider the impact this could have on the carrying value of existing technology, that is similar in nature, when preparing the budgets and forecasts. The Group has carried out an impairment review and determined no impairment is required in the year ended 31 March 2025 (31 March 2024: £nil). Details are contained in note 7.

4 Principal accounting policies continued

Share-based payments – judgement and estimate

The fair value of options granted under the long-term incentive scheme is determined using Monte Carlo simulation models. The models require several estimates and assumptions. The significant inputs into the models are share price at grant date, exercise price, historic exercise multiples, expected volatility and the risk-free rate. Volatility is measured at the standard deviation of expected share price returns based on statistical analysis of historical share prices. These inputs are provided in Note 12.

In previous years, the Company has sometimes purchased shares arising from the exercise of share options to minimise shareholder dilution and create shareholder value. IFRS 2 does not provide guidance on the application of ‘substance over form’ when evaluating whether a share-based payment should be accounted for as equity or cash settled.

To determine whether the Company’s share options are equity or cash-settled, consideration needs to be given as to whether the settlement of the share options through the issue and subsequent repurchase of treasury shares should be treated as one transaction or as two distinct transactions, and whether the Company has an obligation to settle in cash.

The Company does not publicise to option holders that option shares may be repurchased, the decision to repurchase option shares is only made at the point of option exercise, and there is no contractual or other obligation to settle in cash. Therefore, it is appropriate to treat the exercise of options and repurchase of option shares as two separate transactions and account for the option exercise as equity-settled rather than cash-settled.

In the past the Company has on occasion cash-settled part of long-term incentive plan equity awards. Despite the repurchase of these equity interests the Company did not have an obligation to do so and does not have an obligation, constructive or otherwise to do so in the future. As a result, the Company continues to account for share-based payments related to its long-term incentive plans as equity rather than cash-settled.

The 2021 LTIP is subject to Revenue, Profit After Tax and the Company’s share price exceeding certain targets; the full details of which are given in the Company’s Remuneration Report. The measure of the share-based payment charge is dependent on the estimates made in respect of the probability of those targets being achieved over the vesting period of the options. The key inputs into those estimates are the Company’s forecasts, revenue volatility and inflation. Revenue volatility is determined by reference to the share price volatility used to determine the fair value of the options (with an assumption that the two will have a high level of correlation). Inflation is determined by reference to the Bank of England data for the UK. Non-market vesting conditions are assessed by reference to the Group’s latest forecasts. The final measurement date for the Revenue, Profit After Tax and Company’s share price under the 2021 LTIP was 31 March 2025. As the Company did not meet the required targets in FY25, the non-market performance conditions have not been satisfied within the specified time-period and all accumulated charges have been released in full to the income statement (a credit of £126,000). All outstanding options under the 2021 LTIP lapsed upon the publication of these financial statements.

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory. These awards will vest on 17 July 2026 if he remains in office at that time and are subject to no other performance conditions.

Leases – estimate and judgement

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term, and reviews this on a lease-by-lease basis.

The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee’s incremental borrowing rate if not. Incremental borrowing rates are determined based on the term, country, currency and start date of the lease, to derive the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Details of lease liabilities can be found in note 15.

Notes to the Consolidated Financial Statements continued

for the year ended 31 March 2025

5 Segment information

The financial performance of the Group’s geographic operating units (“Reportable Segments”) is set out below. The Group defines its Consultancy business as a Research and Advertising Agency.

	2025	2024
	Revenue £'000	Revenue £'000
By location of customer		
USA	12,829	8,625
LatAm	2,577	2,446
United Kingdom	16,217	12,694
Rest of Europe	3,964	4,815
APAC	1,839	1,439
	37,426	30,019

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

	2025	2024
	Revenue £'000	Revenue £'000
By product type		
Predict Your (data)	28,116	19,776
Improve Your (data-led consultancy)	6,441	5,005
Standard (platform) revenue	34,557	24,781
Other consultancy (non-platform)	2,869	5,238
Total revenue	37,426	30,019
By product group		
Communications (Ad Testing)	31,482	22,775
Brand (Brand Tracking)	3,069	3,178
Innovation	2,875	4,066
	37,426	30,019

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

The Company is domiciled in the UK, its consolidated non-current assets, other than financial instruments and deferred tax assets are as follows:

	2025 £'000	2024 £'000
Non-Current Assets		
United Kingdom	1,697	1,643
Rest of world	195	160
	1,892	1,803

6 Property, plant and equipment

	Right-of-use assets £'000	Furniture and fixtures £'000	Computer hardware £'000	Total £'000
Cost at 1 April 2023	1,244	11	206	1,461
Additions	175	-	97	272
Disposals	(1,245)	(11)	-	(1,256)
Foreign exchange	(2)	-	-	(2)
Cost at 31 March 2024	172	-	303	475
Depreciation at 1 April 2023	466	10	172	648
Depreciation charge for the year	645	1	56	702
Disposals	(1,089)	(11)	-	(1,100)
Foreign exchange	2	-	(2)	-
Depreciation at 31 March 2024	24	-	226	250
Carrying amount 31 March 2024	148	-	77	225
Cost at 1 April 2024	172	-	303	475
Additions	955	-	127	1,082
Disposals	(102)	-	-	(102)
Foreign exchange	(27)	-	(1)	(28)
Cost at 31 March 2025	998	-	429	1,427
Depreciation at 1 April 2024	24	-	226	250
Depreciation charge for the year	500	-	84	584
Disposals	(51)	-	-	(51)
Foreign exchange	9	-	(3)	6
Depreciation at 31 March 2025	482	-	307	789
Carrying amount 31 March 2025	516	-	122	638

Depreciation charges are included within administrative expenses.

7 Intangible assets

	Development costs £'000	Software £'000	Total £'000
Cost at 1 April 2023	1,225	525	1,750
Additions	736	-	736
Cost at 31 March 2024	1,961	525	2,486
Amortisation at 1 April 2023	101	253	354
Amortisation for the year	423	131	554
Amortisation at 31 March 2024	524	384	908
Carrying value at 31 March 2024	1,437	141	1,578
Cost at 1 April 2024	1,961	525	2,486
Additions	468	-	468
Cost at 31 March 2025	2,429	525	2,954
Amortisation at 1 April 2024	524	384	908
Amortisation for the year	653	139	792
Amortisation at 31 March 2025	1,177	523	1,700
Carrying value at 31 March 2025	1,252	2	1,254

Amortisation charges are included within administrative expenses.

7 Intangible assets continued

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

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

- “Test Your” platform, which underpins the delivery of our data and data led consultancy product suite and was completed during the year ended 31 March 2023. The carrying value at 31 March 2025 was £205k (2024: £464k)
- Supply Chain Automation platform which enables System1 to interface (via API) with multiple suppliers of panel respondents and was substantially completed at 31 March 2024. The carrying value at 31 March 2025 was £724k (2024: £930k)
- Modular Surveys which facilitates the automation of custom products and was completed in two phases in the year ended 31 March 2025. The carrying value at 31 March 2025 was £178k (2024: £nil)
- Boost, which optimises our methodology for sourcing sample respondents, and is ongoing at 31 March 2025, anticipated to complete in H1 FY2026. The carrying value at 31 March 2025 is £145k (2024: £nil)

Development costs in respect of completed projects are tested for impairment where impairment indicators exist. No indicators exist at 31 March 2025 (31 March 2024: none). Development costs in respect of ongoing projects are tested for impairment at each reporting date. The carrying value of the assets in each case are assigned to their respective cash generating units for the purposes of assessing future cashflows. The principal assumptions used in the forecasts were the timing and amount of future revenues and cost savings, which were derived from the latest forecasts approved by the Board. Following the assessment, the Board have determined that no impairment of assets is required as at 31 March 2025 (31 March 2024: £nil). The headroom in the impairment review exceeds the carrying value of the asset.

8 Financial risk management

The Group’s financial risk management policies and objectives are explained in the Group Directors’ report.

Credit risk

The Group reviews and manages credit risk, arising from trade receivables and cash and cash equivalents, on a consolidated basis. The vast majority of the Group’s customers are large blue-chip organisations, and the Group has only ever suffered minimal bad debts. The Group has concentrations of credit risk as follows.

	2025 £'000	2024 £'000
Cash and cash equivalents		
HSBC Bank PLC (AA credit rating)	10,647	8,588
Santander	668	828
Deutsche Bank	73	50
UBS	151	144
Other banks	1,332	-
	12,871	9,610

Amounts held with other banks represents cash held via the Flagstone deposit platform, which is used to place short term deposits of three months or less with multiple banks to access higher interest rate returns on surplus cash. The distribution of these amounts between financial institutions is designed to keep exposure to any one organisation within the £85,000 limit of FSCS Protection.

At 31 March 2025, the Group has cash balances of £38,000 (2024: £40,000) which are not readily available for use due to ongoing restrictions imposed by overseas banking institutions. The Group has made full provision against these balances at the year end.

Market risk – foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. The Group considers foreign exchange risk to be one of its financial risks and may seek to minimise its effects by using forward foreign exchange contracts where appropriate. During 2024 and 2025, the Group did not enter into any forward foreign exchange contracts.

8 Financial risk management continued

The denominations of the cash and cash equivalents held by the Group were as follows:

	2025 £'000	2024 £'000
Cash and cash equivalents		
GBP	4,909	1,076
USD	4,304	4,367
EUR	2,164	2,285
CHF	366	553
AUD	418	496
SGD	128	6
BRL	582	827
	12,871	9,610

Financial instruments by category

At the balance sheet date, the Group held the following financial instruments by category.

	2025 £'000	2024 £'000
Financial assets carried at amortised cost		
Finance lease receivables	-	85
Trade and other receivables (excluding prepayments)	6,217	6,380
Cash and cash equivalents	12,871	9,610
	19,088	16,075
Other financial liabilities carried at amortised cost		
Current liabilities		
Trade payables	1,256	2,051
Accruals	4,064	3,880
Lease liabilities	526	280
	5,846	6,211
Non-current liabilities		
Lease liabilities	-	66
	-	66

On 22 February 2023, the Company entered into an Overdraft Facility with HSBC. The facility of up to £1,500,000 is secured over the Company's trade receivables, and incurs interest at 3% above the Bank of England base rate on drawn balances. The facility has no fixed end date and can be cancelled by either party at any time. During the year ended 31 March 2025, the Company has not drawn any amounts under the facility, and no amounts have been drawn to the date of the signing of these financial statements (amounts drawn in the year ended 31 March 2024: £nil).

9 Finance lease receivables

	2025 £'000	2024 £'000
Amounts receivable under finance leases		
Year 1	-	94
Year 2	-	-
Total undiscounted lease payments	-	94
Unearned finance income	-	(9)
Net investment in lease	-	85

9 Finance lease receivables continued

	2024 £'000	2023 £'000
Net investment in the lease analysed as:		
Recoverable after 12 months	-	-
Recoverable within 12 months	-	85
	-	85

Finance lease receivables relate to the sublease of the Group’s previous office in New York, which expired in July 2024. There were no variable payments within the lease arrangement. At each reporting date the Group estimates the loss allowance on finance lease receivables. No amounts were past due at 31 March 2024 or 2025.

10 Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	5,948	6,126
Prepayments and accrued income	639	899
Other receivables	235	236
	6,822	7,261

Trade and other receivables are due within one year and are not interest bearing. The maximum exposure to credit risk at the balance sheet date is the carrying amount of receivables (detailed in Note 8). The Group does not hold any collateral as security against trade receivables. The Directors do not believe that there is a significant concentration of credit risk within the trade receivables balance.

Impairment of financial assets

The Group has financial assets, primarily trade receivables, which are subject to the IFRS 9 expected credit loss model, and the Group is required to assess these assets for expected credit losses. The Group has applied the simplified approach to measuring expected credit losses as permitted by IFRS 9 and recognises a loss allowance based on the financial assets’ lifetime expected loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. Trade receivables are grouped for the purposes of the assessment based on industry sector, entity size and geography. The Group assesses expected credit losses based on the ageing of the receivable, the Group’s historical experience and informed credit assessment. Further credit losses are recognised where the Group has information that indicates it is unlikely to recover balances in full.

The Group has no financial assets designated as measured at fair value.

As of 31 March 2025, trade receivables of £1,083,000 (2024: £3,937,000) were past due but not impaired. The ageing of trade receivables, and the associated loss allowance, is as follows

	Current £'000	0-3 months due £'000	3-6 months due £'000	Over 6 months due £'000	Total £'000
At 31 March 2025					
Gross trade receivables	4,917	802	215	153	6,087
Loss provision	52	8	5	74	139
Expected loss rate	1%	1%	2%	48%	
At 31 March 2024					
Gross trade receivables	2,208	3,540	287	171	6,206
Loss provision	19	38	3	20	80
Expected loss rate	1%	1%	1%	12%	

10 Trade and other receivables continued

Movements in the impairment allowance for trade receivables are as follows:

	2025 £'000	2024 £'000
Provision for impairment of trade receivables		
Opening balance	80	176
Charged to the income statement	64	(68)
Utilisations and other movements	(5)	(28)
	139	80

As of 31 March 2025, no other receivables or contract costs were impaired (2024: £Nil).

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

	2025 £'000	2024 £'000
United States dollar	1,998	1,924
British sterling	3,213	3,990
Euro	776	547
Brazilian real	385	240
Swiss franc	132	231
Australian dollar	162	152
Singapore dollar	156	177
	6,822	7,261

11 Share capital

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

	2025		2024	
	No.	£'000	No.	£'000
Allotted, called up, and fully paid ordinary shares At 1 April and at 31 March	13,226,773	132	13,226,773	132

The Company has treasury shares to satisfy the requirements of the Group's share incentive schemes. The movement in the Company's treasury shares balance is as follows:

	2025		2024	
	Treasury shares No.	Weighted average exercise price per share Pence	Treasury shares No.	Weighted average exercise price per share Pence
Shares held by Treasury				
At 1 April	547,844		547,844	
Transfer of shares to satisfy options exercise	(10,144)	-	-	-
At 31 March	537,700		547,844	

11 Share capital continued

Share options

Employee share option scheme

The Group issues share options to directors and senior managers under an HM Revenue and Customs approved Enterprise Management Incentive (EMI) scheme and under an unapproved scheme.

Options granted in more recent years have been awarded in accordance with management long-term incentive plans and such options have a zero-exercise price and are subject to performance criteria. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited in some circumstances if the employee leaves the Group before the options vest, unless otherwise agreed by the Remuneration Committee of the Board.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Options No.	Weighted average exercise price per share Pence	Options No.	Weighted average exercise price per share Pence
Share options outstanding				
Opening balance	1,253,724	-	1,260,724	0.7
Granted	52,148	-	-	-
Lapsed	(65,626)	-	(7,000)	-
Exercised	(10,144)	-	-	-
Closing balance	1,230,102	-	1,253,724	-
Exercisable at year-end		0.0	10,144	0.0
Weighted average share price at date of options exercised (pence)		445.0		NA
Weighted average fair value of options granted in the year (pence)		313.2		NA

The Group had the following outstanding options and exercise prices:

	2025			2024		
	Options No.	Weighted average exercise price per share Pence	Weighted average remaining contractual life Months	Options No.	Weighted average exercise price per share Pence	Weighted average remaining contractual life Months
Expiry date						
2024	-	-	-	57,139	-	3.6
2025	46,995	-	4.0	-	-	-
2027	1,153,004	-	23.7	1,196,585	-	29.8
2028	-	-	-	-	-	-
2029	30,103	-	50.9	-	-	-
2032	-	-	-	-	-	-
	1,230,102	-	23.6	1,253,724	0.0	28.6

11 Share capital continued

Long term incentive scheme

The Company introduced the current 2021 LTIP in October 2021. The 2021 LTIP was implemented in October 2021 as a modification to the 2019 LTIP. The 2021 LTIP options vest between 12 August 2022 and 12 August 2025, subject to Revenue, Profit After Tax and the Company's share price exceeding certain targets. The full details of which are given in the Company's Remuneration Report. The final vesting date of the 2021 LTIP is 12 August 2025, with the exercise period ending on 21 March 2027.

The final measurement date for the Revenue, Profit After Tax and Company's share price under the 2021 LTIP was 31 March 2025. As the Company did not meet the required targets in FY25, the non-market performance conditions have not been satisfied within the specified time-period and all accumulated charges have been released in full to the income statement (a credit of £126,000). All outstanding options under the 2021 LTIP lapsed upon the publication of these financial statements.

The number of options outstanding under the replaced 2019 LTIP scheme is nil (31 March 2024: 54,180).

At 31 March 2025, the number of options granted under the 2021 LTIP reached 1,153,004 or 9.1% of issued ordinary share capital of maximum capacity at 10% (2024: 1,130,959 or 8.6% of issued ordinary share capital).

The key inputs into the fair value measurement of the 198,401 options granted in the year ended 31 March 2023 are as follows:

- Expected Life: 2 years and 7.5 months
- Exercise price: £Nil
- Share price at date of grant: £1.45
- Expected volatility: 53.52%
- Risk free rate: 3.51%

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory under a new Executive option scheme. These awards will vest on 17 July 2026 if he remains in office at that time and are subject to no other performance conditions.

The key inputs into the fair value measurement of the 30,103 options granted in the year ended 31 March 2025 are as follows:

- Expected Life: 3 years
- Exercise price: £Nil
- Share price at date of grant: £5.43
- Expected volatility: 55.00%
- Risk free rate: 4.24%

Non-employee option plan

On 17 April 2019, the Company granted Stefan Barden who was then an advisor to the Board, an equity award comprising 300,000 zero cost options. In the year ended 31 March 2022, the plan was modified to reflect the same targets as the 2021 LTIP scheme. As at 31 March 2025, Stefan Barden retained 46,995 of his options, with the remaining 253,005 options cancelled following his resignation in 2022.

Share-based payment charge

The total credit relating to equity-settled share-based payment plans was £64,000 (2024: £nil); as a consequence of management's assessment that the probability of non-market performance conditions attached to the 2021 LTIP being fulfilled is negligible (a credit of £126,000) and the charges associated with the Executive Option Scheme. The associated credit for social security was £21,000. (2024: £nil).

Notes to the Consolidated Financial Statements continued

for the year ended 31 March 2025

12 Provisions

	Sabbatical £'000	Leasehold dilapidations £'000	Total £'000
At 1 April 2023	419	35	454
Provided in the year	81	-	81
Utilised in the year	(52)	-	(52)
Reversals of unused amounts	(446)	(28)	(474)
Foreign exchange movement	(2)	(1)	(3)
At 31 March 2024	-	6	6
Provided in the year	-	-	-
Utilised in the year	-	-	-
Reversals of unused amounts	-	(4)	(4)
Foreign exchange movement	-	(2)	(2)
At 31 March 2025	-	-	-
Due within one year	-	-	-
Due after one year	-	-	-

The Company historically operated a sabbatical leave scheme, which provided 20 days paid leave for each successive period of six years' service. There was no proportional entitlement for shorter periods of service. During the year ended 31 March 2023, the Company modified the terms of the scheme such that rather than being open to all employees, the scheme was only available to those individuals who had accrued three or more years of unbroken service as at 30 September 2022. During the year ended 31 March 2024, the Company ceased to operate the sabbatical provision in its entirety, with no previously eligible individuals entitled to any further paid leave under the scheme or any alternate compensation. Accordingly, the provision was released in full.

Dilapidation provisions represent the Group's best estimate of costs required to meet its obligations under property lease agreements.

13 Trade and other payables

	2025 £'000	2024 £'000
Trade payables	1,256	2,051
Social security and other taxes	634	632
Accruals	4,064	3,880
	5,954	6,563

Trade and other payables are due within one year and are not interest bearing. The contractual terms for the payment of trade payables are generally 30-45 days from receipt of invoice.

The contractual maturity of all trade and other payables is within one year of the balance sheet date.

14 Contract liabilities

	2025 £'000	2024 £'000
Contract liabilities	758	1,137

From time to time, payments are received from customers prior to work being completed. Such payments are recorded in the balance sheet as contract liabilities.

Included within Revenue is £1,072,000 relating to contract liabilities recognised at 1 April 2024 (2024: £536,000). No revenue has been recognised in the year from performance conditions satisfied, or partially satisfied in previous periods.

15 Borrowings

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

	2025 £'000	2024 £'000
Within one year	535	291
Later than 1 but no later than 5 years	-	68
More than 5 years	-	-
Total contractual undiscounted cashflows	535	359
Impact of discounting	(9)	(13)
Total lease liabilities	526	346

Lease liabilities are presented in the Consolidated Balance Sheet as follows:

	2025 £'000	2024 £'000
Within one year	526	280
Later than 1 but no later than 5 years	-	66
More than 5 years	-	-
	526	346

There are no contingent payments, purchase options or restrictive covenants in respect of property leases. Details of loan facilities and balances are given in note 9.

16 Expenses by nature

	2025 £'000	2024 £'000
Employee benefit expense*	18,514	15,712
Other research and development costs	1,306	1,302
Capitalised development costs – gross of amortisation	(468)	(736)
Depreciation, amortisation, and impairment	1,376	1,249
Net foreign exchange (gains)/losses	337	204
Lease expense related to short term leases	92	195
Third party direct costs (sample, translation, data processing)	4,565	3,898
Indirect delivery costs	959	858
Other expenses	5,859	4,650
	32,540	27,332
Analysed as:		
Cost of sales	4,565	3,898
Administrative expenses	27,975	23,434
	32,540	27,332

*Included within employee benefit expense is £1,881,000 of costs related to staff involved in research and development activities (2024: £1,811,000) which has not been capitalised under IAS 38.

17 Other income

	2025 £'000	2024 £'000
Other income	381	413
	381	413

Other operating income includes amounts in relation to the trademark co-existence agreement. See note 4 for further details.

18 Auditor remuneration

	2025 £'000	2024 £'000
Audit of parent company and consolidated accounts	126	110
Audit-related assurance services	10	-
	136	110

19 Employee benefit expense

	2025 £'000	2024 £'000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	15,170	13,327
Social security contributions and similar taxes	2,114	1,788
Defined contribution pension cost	524	453
Long service leave cost – sabbatical provision	-	(417)
Share-based payment expense	(85)	-
Compensation for loss of office	223	87
Medical benefits	568	474
	18,514	15,712

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, including the 3 (2024: 3) Executive Directors of the company. Details of directors’ emoluments are given in the Remuneration Report on pages 50 and 51.

Compensation to key management is set out as follows:

	2025 £'000	2026 £'000
Salaries and benefits in kind	883	871
Bonus	584	474
Social security contributions	203	175
Defined contribution pension cost	30	28
Share-based payment (credit)/expense	62	41
	1,762	1,589

The average number of full-time equivalent staff employed by the Group during the financial year was as follows:

	2025 £'000	2024 £'000
Sales and marketing	59	46
Operations	52	44
IT	30	31
Administration	26	23
	167	144

20 Finance charges

	2025 £'000	2024 £'000
Interest on finance lease receivables	1	8
Interest on bank deposits	61	36
Finance income	62	44

	2025 £'000	2024 £'000
Interest on bank loans	-	-
Other net interest payable	-	(1)
Interest on lease liabilities	(26)	(34)
	(26)	(35)
Net finance income/(expense)	36	9

21 Income tax expense

	2025 £'000	2024 £'000
Current tax	860	1,023
Deferred tax	(30)	51
	830	1,074

Income tax expense for the year differs from the standard rate of taxation as follows:

	2025 £'000	2024 £'000
Profit on ordinary activities before taxation	5,303	3,109
Profit on ordinary activities multiplied by standard UK tax rate	1,326	777
Difference between tax rates applied to Group's subsidiaries	110	243
Net expenses not deductible for tax purposes	409	57
Adjustments to trading losses and brought forward values	(313)	(3)
R&D claims surrendered for loss relief	(754)	-
Remeasurement of deferred tax for change in tax rates	5	(7)
Tax on intra-group management charges (Brazil)	222	256
Receipt of research and development credits	-	(210)
Adjustment to current tax in respect of prior years	(30)	(21)
Adjustments to foreign and withholding tax	(81)	120
Adjustments to deferred tax in respect of prior and current years	(64)	(136)
	830	1,076

The standard tax rate for the years ended 31 March 2025 was 25% (31 March 2024: 25%).

The tax charge for the year includes claims in respect of R&D expenditure for the years 2023 and 2024 which have been surrendered for tax losses of £750,000 that have been group relieved in the period. Excluding these losses, the effective tax rate for the Group would have been in the region of 30%.

Notes to the Consolidated Financial Statements continued

for the year ended 31 March 2025

22 Deferred tax

Deferred tax assets and liabilities are as follows.

	2025 £'000	2024 £'000
Deferred tax assets:		
- deferred tax assets to be recovered after more than 12 months	81	37
- deferred tax assets to be recovered within 12 months	271	155
	352	192
Deferred tax liabilities:		
- deferred tax liability to be Incurred within 12 months	(158)	(41)
Deferred tax asset (net):	194	151

The gross movement in deferred tax is as follows.

	2025 £'000	2024 £'000
Opening balance	151	203
Income statement credit/(charge)	30	(51)
Foreign exchange movements	(2)	(1)
Tax credited directly to equity	15	-
Closing balance	194	151

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Other provisions £'000	Share options £'000	Dilapidation provisions £'000	Trading losses £'000	Accelerated capital allowances £'000	Total £'000
At 1 April 2024	171	19	2	-	-	192
Credited/(charged) to income statement	117	12	(2)	18	-	145
Credited to equity	-	15	-	-	-	15
At 31 March 2025	288	46	-	18	-	352

Deferred tax liabilities

	Accelerated capital allowances £'000
At 1 April 2024	(41)
Charged to income statement	(117)
At 31 March 2025	(158)

Deferred tax assets are recognised only to the extent that their recoverability is considered probable.

The deferred tax asset in respect of the Company's share option plans relates to corporate tax deductions available on exercise of employee share options.

23 Earnings per share

	2025	2024
Profit attributable to equity holders of the company, in £'000	4,473	2,033
Weighted average number of Ordinary Shares in issue	12,687,461	12,678,929
Basic earnings per share	35.3p	16.0p
Profit attributable to equity holders of the Company, in £'000	4,473	2,033
Weighted average number of Ordinary Shares in issue	12,687,461	12,678,929
Share options	30,103	10,144
Weighted average number of Ordinary Shares for diluted earnings per share	12,717,564	12,689,073
Diluted earnings per share	35.2p	16.0p

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding assuming conversion of all dilutive share options to Ordinary Shares. Options are included in the determination of diluted earnings per share if the required performance thresholds would have been met based on the Group's performance up to the reporting date, and to the extent that they are dilutive. Accordingly, employee options of 1.2 million (2024: 1.3 million) have not been included in the calculation of diluted EPS because their exercise is contingent on the satisfaction of certain criteria that had not been met at 31 March 2025 and 31 March 2024. The total number of options in issue is disclosed in Note 12.

24 Dividends

The Company paid a final dividend of 5.0p per share for the year ended March 2024 on 18 October 2024 (ex-dividend date 26 September 2024). The Company proposes to pay an ordinary dividend of 5.5p per share for FY25, and an additional special dividend of 5.5p per share for the year ended 31 March 2025, which will be put to the Group's annual general meeting in 25 September 2025.

Dividends paid to directors in the years ended 31 March 2025 totalled £145,659 (31 March 2024: £nil).

25 Net cash generated from operations

	2025 £'000	2024 £'000
Profit before taxation	5,302	3,108
Depreciation and impairment of property, plant, and equipment	584	702
Amortisation and impairment of intangible assets	791	553
Loss/(profit) on disposal of right-of-use assets	9	(8)
Interest received	(61)	(36)
Interest paid	26	35
Share-based payment credit	(64)	-
(Increase)/decrease in contract assets	(25)	(78)
Decrease in finance lease receivables	85	263
Increase in trade and other receivables	440	(917)
Increase in trade and other payables	(607)	2,863
Increase/(decrease) in contract liabilities	(378)	372
Decrease in provisions	(4)	(445)
Exchange differences on operating items	101	18
	6,199	6,430

26 Related party transactions

The following transactions took place between entities within the Group, all of which are consolidated in these financial statements, and are related parties by virtue of the common control of the Company.

	Overhead charges £'000	Royalties £'000	Amounts due from/(to) related parties £'000
2025			
System1 Group PLC	8,504	3,485	323
System1 Research Limited	(3,957)	(1,622)	2,369
System1 Research, Inc.	(3,131)	(1,283)	(2,645)
System1 Research B.V.	(169)	(69)	413
System1 Research Sarl	(214)	(88)	(232)
System1 Research GmbH	(428)	(176)	(652)
System1 Marketing Consulting (Shanghai) Co. Limited	-	-	-
System1 Research Do Brazil Servicos de Marketing Ltda.	-	-	42
System1 Research France Sarl	(156)	(64)	280
System1 Market Research Pte Ltd	(105)	(43)	(856)
System1 Research Pty Ltd.	(344)	(141)	904
System1 Agency Limited	-	-	54
System1 AdRatings Limited	-	-	-
2024			
System1 Group PLC	8,762	2,755	2,135
System1 Research Limited	(4,030)	(1,267)	424
System1 Research, Inc.	(2,743)	(862)	(1,835)
System1 Research B.V.	(177)	(56)	315
System1 Research Sarl	(407)	(128)	(501)
System1 Research GmbH	(418)	(131)	(917)
System1 Marketing Consulting (Shanghai) Co. Limited	-	-	-
System1 Research Do Brazil Servicos de Marketing Ltda.	-	-	54
System1 Research France Sarl	(530)	(167)	309
System1 Market Research Pte Ltd	(123)	(39)	(511)
System1 Research Pty Ltd.	(335)	(105)	471
System1 Agency Limited	-	-	55
System1 AdRatings Limited	-	-	-

During the year, purchases of £80,539 (2024: £136,374) were made from Merit Data &Technology Limited, a related party by virtue of the common directorship of Philip Machray. At the year end, an amount of £8,400 was owed (2024: £16,800). Of the purchases made, £nil was capitalised within development costs in the year ended 31 March 2025 (2024: £37,000). Purchases of £2,250 (2024: £nil) were made from Messier Holdings Limited, a related party by virtue of the common directorship of John Kearon and Rupert Howell. At the year end, an amount of £nil was owed.

27 Audit exemption

System1 Research Limited (company number 03900547), System1 Agency Limited (company number 09829202) and System1 Ad Ratings Limited (company number 11313402) are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A. System1 Group PLC has given a parental guarantee for all entities above under section 479C of the Companies Act 2006.

28 Post balance sheet events

On 13 May 2025, the Company established the 2025 Long-Term Incentive Plan ("2025 LTIP"). Under the 2025 LTIP the Company has granted nil-cost options over ordinary shares of 1p each in the Company to members of its executive team, including two Executive Directors of the Company. Details of the scheme are given in the Remuneration Report on page 49.

Company Balance Sheet

as at 31 March 2025

REGISTERED COMPANY NO. 05940040

	Note	2025 £'000	2024 £'000
Fixed assets			
Intangible assets	2	1,254	1,578
Tangible assets	3	444	65
Investments in subsidiaries	4	581	581
		2,279	2,224
Current assets			
Debtors due within one year	5	5,828	6,047
Cash and cash equivalents		2,220	1,908
		8,048	7,955
Creditors: amounts due within one year	6	7,773	5,889
Net current assets		275	2,066
Total assets less current liabilities		2,554	4,290
Provisions for liabilities	7	105	40
Net assets		2,449	4,250
Capital and reserves			
Share capital	9	132	132
Share premium account	1	1,601	1,601
Retained earnings	1	716	2,517
Shareholders' funds		2,449	4,250

As permitted by Section 408 of the Companies Act 2006, the Company's profit and loss account has not been included in these financial statements. The Company's loss after tax was £1,244,000 (2024: profit of £62,000).

The notes on pages 93 to 101 are an integral part of these company financial statements.

These financial statements were approved by the directors on 9 July 2025 and are signed on their behalf by:

James Gregory
Director

Chris Willford
Director

Company Statement of Changes in Equity

for the year ended 31 March 2025

	Share capital £'000	Share account £'000	Retained earnings £'000	Total £'000
At 1 April 2023	132	1,601	2,705	4,438
Loss for the financial period and total comprehensive income attributable to the equity holders	-	-	(62)	(62)
Transactions with owners: Employee share options scheme: - value of employee services	-	-	(126)	(126)
	-	-	(126)	(126)
At 31 March 2024	132	1,601	2,517	4,250
Loss for the financial period and total comprehensive income attributable to the equity holders	-	-	(1,244)	(1,244)
Transactions with owners: Employee share options scheme: - value of employee services	-	-	62	62
- deferred tax credited to equity	-	-	15	15
Dividends paid to owners	-	-	(634)	(634)
	-	-	(557)	(557)
At 31 March 2025	132	1,601	716	2,449

The notes on pages 93 to 101 are an integral part of these company financial statements.

Notes to the Company Financial Statements

for the year ended 31 March 2025

1 Accounting policies

Statement of compliance

The separate financial statements of the Company are presented in accordance with Financial Reporting Standard 101 – ‘The Reduced Disclosure Framework’. They have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year.

This Company is included in the consolidated financial statements of System1 Group PLC for the year ended 31 March 2025. These accounts are available from the registered office address of the Company, and at system1group.com/investors.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions available under FRS 101. Therefore, these financial statements do not include:

- a) a statement of cash flows and related notes;
- b) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered between two or more wholly owned members of the group;
- c) disclosure of key management personnel compensation;
- d) capital management disclosures;
- e) disclosure of leases as required by paragraph 52 of IFRS 16 “Leases”
- f) presentation of a comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- g) the effect of future accounting standards not adopted;
- h) disclosures in respect of share-based payments
- i) disclosures in respect of financial instruments and fair value measurement.

As permitted by the Companies Act 2006 section 408, the Company does not present a profit and loss account.

Research and development – internally generated intangible assets

All on-going research expenditure is expensed in the year in which it is incurred. Where no internally generated intangible asset can be recognised, development expenditure is charged to administrative expenses in the period in which it is incurred.

Costs relating to the research phase of the product, amounting to £2.7m were expensed in the year to 31 March 2025 (31 March 2024: £2.4m). Development costs include professional fees and directly attributable employee costs required to bring the software into working condition.

Furthermore, internally generated software and product development costs are recognised as an intangible asset only if the Company can demonstrate all the following conditions:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) its intention to complete the intangible asset and use or sell it;
- c) its ability to use or sell the intangible asset;
- d) how the intangible asset will generate probable future economic benefits; among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation

Acquired computer software licences are amortised on a straight-line basis over their estimated useful economic life of five years.

Capitalised development costs are amortised on a straight-line basis over their estimated useful economic life of three years.

Amortisation and impairment on all intangible assets are charged to administrative expenses.

1 Accounting policies continued

Investments

Fixed asset investments comprise investments by the Company in the shares of subsidiary undertakings. The carrying value of is reviewed for indicators of impairment on an annual basis. Where such indicators are present, a quantified impairment test is required and the value in use calculated based upon a discounted cash flow methodology using the most recent forecasts prepared by management. No impairment indicators were identified at 31 March 2025 or 31 March 2024.

Tangible assets and right-of-use assets

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over its expected useful economic lives, which are as follows:

Furniture, fittings and equipment	5 years
Computer hardware	2 to 3 years

The residual value and useful life of each asset is reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged to administrative expenses in the income statement.

Right-of-use assets are measured at cost to include the lease liability, direct and restoration cost and are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short term leases of equipment and vehicles and all leases of low value assets are recognised on a straight-line basis as an expense in the profit and loss.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amount of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Intangible assets not available for use are tested for impairment on at least an annual basis. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Cash at bank

Cash at bank comprises cash in hand and bank deposits available on demand.

Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, which are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws that have been enacted or substantively enacted at the reporting date applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

Employee benefits

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability.

The Company operates a defined contribution pension plan. The Company pays contributions to the plan based upon the contractual terms agreed with each employee. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Any amounts outstanding at the reporting date are recognised in liabilities within accruals.

1 Accounting policies continued

Share-based payments

Equity-settled, share-based payments are measured at fair value at the date of grant. Equity-settled, share-based payments that are made available to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investments in subsidiaries, based on an estimate of the number of shares that will eventually vest.

Provisions

Provisions are recognised when: the Company has a legal or constructive obligation because of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where material, the increase in provisions due to passage of time is recognised as interest expense.

The provision for dilapidations is measured at the present value of expenditures expected to be required to settle those obligations.

Financial instruments

The Company's financial assets comprise trade and other receivables held at amortised cost. The Company does not possess assets held at fair value through profit or loss. The classification is determined by management at initial recognition, being dependent upon the business model and the contractual cash flows of the assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets arising from contracts with customers are separately presented in accordance with IFRS 15 'Revenue from Contracts with Customers' in the Balance Sheet.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's amortised cost financial assets comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Trade receivables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method. In accordance with IFRS 9, the Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. This assessment considers the age of the debt, as well as historical experience. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

1 Accounting policies continued

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Significant accounting estimates and judgements

Capitalisation of development costs – judgement

The point at which development costs meet the criteria for capitalisation is critically dependent on management's judgement of the point at which technical feasibility is demonstrable. Furthermore, the useful economic lives of capitalised development costs are based on management's knowledge of the life cycle of the Group's products and technology. The carrying value of development assets also depends on management's ability to demonstrate the future economic benefits they will deliver. This judgement requires assumptions about factors outside the business's control such as short and medium term economic conditions, technological developments and market changes. Details are contained in note 2.

Impairment of development costs – judgement and estimate

The Group tests annually whether intangible assets, have been impaired by reference to expected future generation of cash from the relevant platforms incorporating the technologies and methodologies developed. In estimating the cash flows the capitalised development costs may generate the directors make judgements, based on budgets and forecasts, about the amount of future profits from the relevant products that will be generated and the timing of when these will be realised. Furthermore, where new technology is acquired through an acquisition, management consider the impact this could have on the carrying value of existing technology, that is similar in nature, when preparing the budgets and forecasts. The Group has carried out an impairment review and determined no impairment is required in the year ended 31 March 2025 (31 March 2024: £nil). Details are contained in note 2.

Share-based payments – judgement and estimate

Despite the repurchase of these equity interests the Company did not have an obligation to do so and does not have an obligation, constructive or otherwise to do so in the future. As a result, the Company continues to account for share-based payments related to its long-term incentive plans as equity rather than cash-settled.

The 2021 LTIP is subject to Revenue, Profit After Tax and the Company's share price exceeding certain targets; the full details of which are given in the Company's Remuneration Report. The measure of the share-based payment charge is dependent on the estimates made in respect of the probability of those targets being achieved over the vesting period of the options. The key inputs into those estimates are the Company's forecasts, revenue volatility and inflation. Revenue volatility is determined by reference to the share price volatility used to determine the fair value of the options (with an assumption that the two will have a high level of correlation). Inflation is determined by reference to the Bank of England data for the UK. Non-market vesting conditions are assessed by reference to the Group's latest forecasts. The final measurement date for the Revenue, Profit After Tax and Company's share price under the 2021 LTIP was 31 March 2025. As the Company did not meet the required targets in FY25, the non-market performance

1 Accounting policies continued

conditions have not been satisfied within the specified time-period and all accumulated charges have been released in full to the income statement (a credit of £126,000). All outstanding options under the 2021 LTIP lapsed upon the publication of these financial statements.

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory. These awards will vest on 17 July 2026 if he remains in office at that time and are subject to no other performance conditions.

Employee benefits – estimate

The Company has historically operated a sabbatical leave scheme, which provided 20 days paid leave for each successive period of six years' service. There was no proportional entitlement for shorter periods of service. During the year ended 31 March 2023, the Company modified the terms of the scheme such that rather than being open to all employees, the scheme was only available to those individuals who had accrued three or more years of unbroken service as at 30 September 2022. During the year ended 31 March 2024, the Company ceased to operate the sabbatical provision in its entirety, with no previously eligible individuals entitled to any further paid leave under the scheme or any alternate compensation. Accordingly, the provision was released in full.

The average number of staff employed by the Company during the year ended 31 March 2025 was 69 (2024: 65) and total employment costs were £8,183,000 (2024: £7,785,000).

Leases – estimate and judgement

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term, and reviews this on a lease-by-lease basis.

The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. Incremental borrowing rates are determined based on the term, country, currency and start date of the lease, to derive the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2 Intangible assets

	Development costs £'000	Software £'000	Total £'000
Cost at 1 April 2023	1,225	525	1,750
Additions	736	-	736
Cost at 31 March 2024	1,961	525	2,486
Amortisation at 1 April 2023	101	253	354
Amortisation for the year	423	131	554
Amortisation at 31 March 2024	524	384	908
Carrying value at 31 March 2024	1,437	141	1,578
Cost at 1 April 2024	1,961	525	2,486
Additions	468	-	468
Cost at 31 March 2025	2,429	525	2,954
Amortisation at 1 April 2024	524	384	908
Amortisation for the year	653	139	792
Amortisation at 31 March 2025	1,177	523	1,700
Carrying value at 31 March 2025	1,252	2	1,254

Amortisation charges are included within administrative expenses.

2 Intangible assets continued

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

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

- “Test Your” platform, which underpins the delivery of our data and data led consultancy product suite and was completed during the year ended 31 March 2023. The carrying value at 31 March 2025 was £205k (2024: £464k)
- Supply Chain Automation platform which enables System1 to interface (via API) with multiple suppliers of panel respondents and was substantially completed at 31 March 2024. The carrying value at 31 March 2025 was £724k (2024: £930k)
- Modular Surveys which facilitates the automation of custom products and was completed in two phases in the year ended 31 March 2025. The carrying value at 31 March 2025 was £178k (2024: £nil)
- Boost, which optimises our methodology for sourcing sample respondents, and is ongoing at 31 March 2025, anticipated to complete in H1 FY2026. The carrying value at 31 March 2025 is £145k (2024: £nil)

Development costs in respect of completed projects are tested for impairment where impairment indicators exist. No indicators exist at 31 March 2025 (31 March 2024: none). Development costs in respect of ongoing projects are tested for impairment at each reporting date. The carrying value of the assets in each case are assigned to their respective cash generating units for the purposes of assessing future cashflows. The principal assumptions used in the forecasts were the timing and amount of future revenues and cost savings, which were derived from the latest forecasts approved by the Board. Following the assessment, the Board have determined that no impairment of assets is required as at 31 March 2025 (31 March 2024: £nil). The headroom in the impairment review exceeds the carrying value of the asset.

3 Tangible assets

	Right-of-use assets £'000	Furniture and fixtures £'000	Computer hardware £'000	Total £'000
Cost at 1 April 2023	1,245	11	188	1,444
Additions	-	-	85	85
Disposals	(1,245)	(11)	-	(1,256)
Cost at 31 March 2024	-	-	273	273
Depreciation at 1 April 2023	467	9	160	636
Depreciation charge for the year	622	2	48	672
Disposals	(1,089)	(11)	-	(1,100)
Depreciation at 31 March 2024	-	-	208	208
Carrying amount 31 March 2024	-	-	65	65
Cost at 1 April 2024	-	-	273	273
Additions	681	-	111	792
Cost at 31 March 2025	681	-	384	1,065
Depreciation at 1 April 2024	-	-	208	208
Depreciation charge for the year	340	-	73	413
Depreciation at 31 March 2025	340	-	281	621
Carrying amount 31 March 2025	341	-	103	444

4 Investments

	£'000
Cost and net book amount at 1 April 2024 and 31 March 2025	581

Subsidiary undertakings

Details of subsidiary undertakings, registered office and country of incorporation of each, at 31 March 2025 are as follows:

Subsidiary undertaking	Registered office	Country of incorporation
System1 Research Limited	4 More London Riverside, London, England, SE1 2AU	UK
System1 Research B.V.	Conradstraat 38 D2. 138, 3013AP Rotterdam	Netherlands
System1 Research, Inc.	251 Little Falls Drive, Wilmington, DE 19808, New Castle County, Delaware	USA
System1 Research Sarl	Avenue Gratta Paille 2, 1018 Lausanne, Switzerland	Switzerland
System1 Research GmbH	Kleine Seilerstrasse 1 D-20359 Hamburg	Germany
System1 Research Do Brazil Servicos de Marketing Ltda.	Avenida das Nacoes Unidas 14261 – Conj. 25-126B – Cond. WT Morumbi, CEP 04794-000, Vila Gertrudes, São Paulo	Brazil
System1 Research France Sarl	17 Rue de Turbigo, 75002 Paris	France
System1 Market Research Pte Ltd	36 Robinson Road, #20-01 City House, Singapore 068877	Singapore
System1 Research Pty Ltd.	Suite 1, Level 11, 60 Castlereagh Street, Sydney, NSW 2000	Australia
System1 Agency Limited	4 More London Riverside, London, England, SE1 2AU	UK
System1 AdRatings Limited	4 More London Riverside, London, England, SE1 2AU	UK

System1 Research Limited, System1 Agency Limited, and System1 AdRatings Limited are wholly owned direct subsidiaries of System1 Group PLC. The remaining subsidiaries are each wholly owned direct subsidiaries of System1 Research Limited. The activities of all companies are the provision of market research data and insight services, apart from System1 Agency Limited and System1 AdRatings Limited, which are dormant.

5 Debtors

	2025 £'000	2024 £'000
Due within one year		
Trade debtors	-	1
Trade debtors from group companies	5,061	4,873
Amounts due from group companies	20	81
Other debtors	6	84
VAT recoverable	253	211
Corporation tax recoverable	-	15
Prepayments	488	782
	5,828	6,047

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Company assesses expected credit losses based on the ageing of the receivable, the Group's historical experience and informed credit assessment. Further credit losses are recognised where the Company has information that indicates it is unlikely to recover balances in full.

The Company is part of a VAT group with its wholly owned subsidiary, System1 Research Limited. As at 31 March 2025, System1 Research Limited had a VAT liability of £335,000, therefore the net exposure of the two entities is £172,000 (2024: creditor of £262,000).

6 Creditors

	2025 £'000	2024 £'000
Due within one year		
Trade creditors	642	693
Social security and other taxes	190	181
Amounts due to group companies	4,758	2,818
Lease liabilities	344	-
Accruals	1,839	2,197
	7,773	5,889

7 Provisions for liabilities

	Deferred tax £'000	Sabbatical £'000	Leasehold dilapidations £'000	Total £'000
At 1 April 2023	-	184	10	194
Provided in the year	38	-	-	38
Utilised in the year	-	(12)	-	(12)
Reversal of unused amounts	-	(172)	(8)	(180)
At 31 March 2024	38	-	2	40
Provided in the year	67	-	-	67
Utilised in the year	-	-	(2)	(2)
At 31 March 2025	105	-	-	105
Due within one year	-	-	-	-
Due after one year	105	-	-	105

The Company has historically operated a sabbatical leave scheme, which provided 20 days paid leave for each successive period of six years' service. There was no proportional entitlement for shorter periods of service. During the year ended 31 March 2023, the Company modified the terms of the scheme such that rather than being open to all employees, the scheme was only available to those individuals who had accrued three or more years of unbroken service as at 30 September 2022. During the year ended 31 March 2024, the Company ceased to operate the sabbatical provision in its entirety, with no previously eligible individuals entitled to any further paid leave under the scheme or any alternate compensation. Accordingly, the provision was released in full.

8 Deferred tax

Deferred tax assets and liabilities are as follows.

	2025 £'000	2024 £'000
Deferred tax assets:		
- deferred tax assets to be recovered after more than 12 months	7	-
- deferred tax assets to be recovered within 12 months	46	33
	53	33
Deferred tax liabilities:		
- deferred tax liability to be recovered within 12 months	(158)	(71)
Deferred tax (liability)/asset (net):	(105)	(38)

8 Deferred tax continued

The gross movement in deferred tax is as follows.

	2025 £'000	2024 £'000
Opening balance	(38)	26
Income statement charge	(82)	(64)
Tax credited directly to equity	15	-
Closing balance	(105)	(38)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Other provisions £'000	Share options £'000	Total £'000
At 1 April 2024	22	11	33
(Charged)/credited to income statement	(15)	20	5
Tax credited directly to equity	-	15	15
At 31 March 2025	7	46	53

Deferred tax liabilities

	Accelerated capital allowances £'000
At 1 April 2024	(71)
Credited to income statement	(87)
At 31 March 2025	(158)

9 Share capital

	2025		2024	
	No.	£'000	No.	£'000
Allotted, called up, and fully paid ordinary shares At 1 April and at 31 March	13,226,773	132	13,226,773	132

Included within issued share capital are 537,700 ordinary shares held in treasury (2024: 547,844).

10 Related party transactions

During the year, purchases of £80,539 (2024: £136,374) were made from Merit Data & Technology Limited, a related party by virtue of the common directorship of Philip Machray. At the year end, an amount of £8,400 was owed (2024: £16,800). Of the purchases made, £nil was capitalised within development costs in the year ended 31 March 2025 (2024: £37,000). Purchases of £2,250 (2024: £nil) were made from Messier Holdings Limited, a related party by virtue of the common directorship of John Kearon and Rupert Howell. At the year end, an amount of £nil was owed.

11 Post balance sheet events

On 13 May 2025, the Company established the 2025 Long-Term Incentive Plan ("2025 LTIP"). Under the 2025 LTIP the Company has granted nil-cost options over ordinary shares of 1p each in the Company to members of its executive team, including two Executive Directors of the Company. Details of the scheme are given in the Remuneration Report on page 49.

Company Information

Company Secretary

Renata Ziolkowski-Nishikant

Registered Office

4 More London Riverside
London
England
SE1 2AU
United Kingdom

Registered Number

05940040

Independent Auditor

HaysMac LLP
Statutory Auditor
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

Registrars

MUFG Corporate Markets
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Nominated Adviser & Broker

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR
United Kingdom

System1

Create with Confidence

System1 Group PLC

4 More London Riverside
London
England
SE1 2AU
United Kingdom

info@system1group.com
www.system1group.com