System1

Create with Confidence

# Annual Report and Accounts

for the year ended 31 March 2026

System1

Create with Confidence

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# Strategic Report

# Who we are

**System1** predicts and improves creative effectiveness.

We are a team of some 200 dedicated people, including major industry thought leaders, based in 12 locations worldwide.

## Our Mission:

is to empower every marketer to create great advertising and innovation with confidence, leading to transformational business results. Ultimately our vision is for a world where all creative is effective and provides clear ROI.

## What we do:

We measure human emotional response to ads, brands and ideas because...the more people feel, the more people buy.

We help to grow our clients' long-term brand and short-term sales through our three key offerings, Test Your Ad, Test Your Brand and Test Your Innovation, providing data and guidance that helps our clients understand, improve and benchmark their creative.


Powered by our unique and growing database of 130k+ ads and 65+ innovation concepts

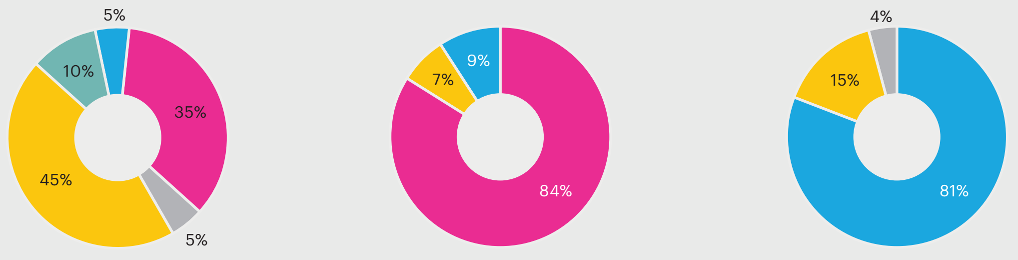
## Who we are:

Revenue is ~80% UK/USA, ~80% Advert Pre Testing, ~80% predictive pre-testing ("Data").

**Revenue by Geography**
FY 26

**Revenue by Product Group**
FY 26

**Revenue by Variant**
FY 26




USA | LatAm | United Kingdom | Rest of Europe | APAC

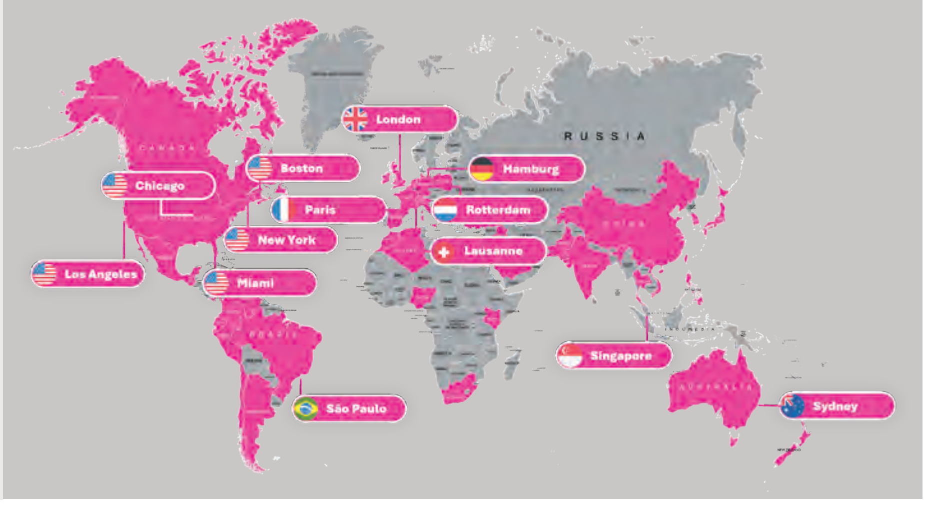
Advertising | Innovation | Brand

Predict Your (data) | Improve Your (data-led consultancy) | Other Consultancy (non-platform)

A combination of data and consultancy

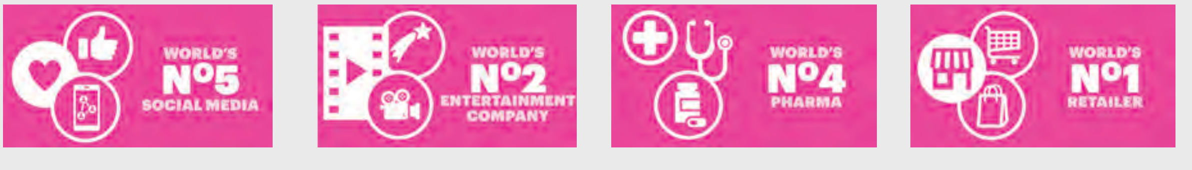
## Who we do it for:

We serve over 600 clients across 81 markets globally, including some of the world's most recognised brands.




## We work with:

48 of the world's top 100 brands*




*by advertising marketing spend

## Four key strengths:

1

**We measure emotion, not claimed behaviour.**
Traditional pre-testing asks people whether they intend to purchase after seeing an ad. But stated purchase intent is a poor predictor of actual behaviour. System1's approach uses our proprietary FaceTrace® tool — a pictorial self-report scale based on Ekman's universal emotions — to capture genuine emotional responses.

2

**We predict and improve, not just describe.**
Our Star Rating and Spike Rating are predictive metrics — they forecast future commercial outcomes, not just describe past reactions. Our status as thought leaders in the space allows us to confidently help clients improve their creative.

3

**We benchmark at scale.**
Every test is measured against our database of over 130,000 ads and 65,000 innovation concepts, spanning 108 categories across the US, UK and global markets.

4

**We deliver in hours, not weeks.**
Platform delivery means clients receive results in 24 hours or less. This enables creative teams to test early and iterate often.

# Our Journey

## Milestones in our evolution:

### 2000
Founded with a mission to understand how emotion drives consumer behaviour

### 2001-2016
Developed behavioural science expertise and proprietary emotional measurement methodologies

### 2006
Shares listed on AIM at 108p. Revenue £4.6m; employees: 37

### 2010
Voted "Most Innovative Agency" by GRIT

### 2017
BrainJuicer becomes System1; focus shifts to predicting creative effectiveness; First thought leadership publication *Unlocking Profitable Growth*

### 2018
Launch of Ad Ratings

### 2020-2021
Transition to scalable platform model: launch of Test your Ad, Test Your Brand

### 2021
First partnerships with media platforms

### 2023
Launch of Test Your Ad Pro+

### 2024
Test Your Innovation product suite relaunch

### 2026
Ad Ratings relaunched as TYA Competitive Edge

### 2026
600+ clients and £37m annual revenue

# Growth Strategy

## Our strategic priorities

To support execution and improve accountability, during FY26 we refined our approach around our three strategic revenue growth pillars. These priorities align our investment and operational focus around the areas we believe represent our largest growth opportunities, while ensuring we continue building a more efficient and scalable business.

| **Winning in America** | |
|---|---|
| Largest long-term growth opportunity. Growing fame and credibility in the USA. Ensuring products meet market need | |
| **Progress** | • Unaided awareness doubled FY25 to FY26<br>• Platform revenue in the US increased by 7% with new US clients contributing £3.5m in FY26 vs £2.8m in FY25, demonstrating increasing quality and value of US wins<br>• 29% increase in new business vs FY25<br>• Signed largest contract to date with a new US customer |
| **FY27 Objectives** | • Focus on strengthening relationships with major clients and continuing to build scale in our largest long-term growth market.<br>• Increasing focus of marketing and new business resources within sectors where we are best able to serve the market |

| **Winning with innovation** | |
|---|---|
| Consistent revitalisation of innovation offering to anticipate clients' evolving needs | |
| **Progress** | • Innovation revenue increased by 19%, reflecting continued investment and growing customer engagement<br>• £0.8m of innovation revenue from new customers, demonstrating our ability to broaden our customer base<br>• Partnership secured with BionicX |
| **FY27 Objectives** | • Continue to broaden innovation customer base through expanding our offering through the value chain to create a connected set of tools, guidance and evidence that helps brands discover, shape, test and validate their ideas.<br>• Strengthen innovation pipeline and improve repeat engagement |

| World's largest brands | |
|---|---|
| Increasing penetration and deepening relationships with the world's largest brands. Keeping ad proposition market leading and set up for excellence with client service model | |
| **Progress** | • Strengthened customer organisation and appointed Head of Global Accounts<br>• Worked with 48 of top 100 brands by media spend, up from 44 in FY25 |
| **FY27 Objectives** | • Increase customer engagement across offerings to grow share of wallet within existing customer base<br>• Improve customer retention and move closer towards 100% platform net revenue retention across all areas<br>• Examine how to improve order book visibility through building out our platform products to add value as a package |

# Why Invest in System1

System1 is the market leader in emotion-based creative effectiveness testing — a scalable platform business with blue-chip clients, validated methodology, proprietary data and significant growth optionality.

**The System1 advantage:** Unique offerings built on proprietary data, addressing a global market.


# Market opportunity

System1 operates within three sub-sections of the Global Insights Market, a $153bn global market (Source: ESOMAR 2025).

| |
|---|
| **Ad pre-testing – $2.46bn market growing:** ESOMAR 2025. |
| A sector of the advertising and market research industry dedicated to evaluating the effectiveness of advertising campaigns before they launch |
| **FY26 System1 Advertising Revenue: £30.9m** |

| |
|---|
| **Innovation testing – $12.02bn market:** ESOMAR 2023 |
| A market consisting of the tools, services and companies focused on predicting customer reactions to new product ideas and concepts to maximise launch success |
| **FY26 System1 Innovation Revenue: £3.4m** |

| |
|---|
| **Brand tracking – $5.95bn market** ESOMAR 2023 |
| A specialised sector of market research that focuses on the continuous monitoring and analysis of consumer sentiment, brand awareness and competitor performance |
| **FY26: System1 Brand Revenue: £2.6m** |

# Market drivers and responses

System1 operates in a rapidly evolving market shaped by technological change, shifting media consumption habits, macroeconomic uncertainty and changing client expectations. The increasing adoption of AI, fragmentation of advertising channels and a greater focus on measurable effectiveness are transforming how brands evaluate and optimise creative and media investments, presenting an exciting opportunity for System1.

At the same time, economic pressures continue to drive demand for solutions that demonstrate clear return on investment and support efficient decision-making.

These trends create both challenges and opportunities for System1, reinforcing the importance of trusted client relationships and continued investment in data-driven products and capabilities.

| Driver | Response |
|---|---|
| **Growing AI Adoption** | We are clear that use of AI within our products needs to be predictive, honest and transparent, providing useful insight and supercharging the predictive power of human emotion. To achieve this, we have built out TYA Screen, an AI model based on our proprietary database of 130,000 ads and millions of human emotional data points, to help clients quickly triage their creative assets and select a subset of them for human testing.<br><br>We have also used AI to build more insight into our TYA reports, drawing on best practice thought leadership and inspiration from our database. We continue to refine both of these use cases, while exploring further innovation in this space.<br><br>In our Innovation product suite, we partner with BionicX to provide AI powered white space exploration and idea generation, coupled with extensive human expertise. |
| **Challenging economic climate** | In order to most effectively shield against macroeconomic uncertainty and reduced marketing budgets, the existence of fully integrated, trusted advisor relationships with clients is key – we therefore increased our focus on relationship management with the creation of our client success team and senior commercial roles with explicit responsibility for global strategic clients. |
| **Evolving TV advertising market: including increased range of channels, alongside growing short-form advertising on social media** | With more long-form TV-style advertising content being generated and consumed across a wider number of channels, our clients' audience is broadening into connected TV (e.g. Netflix, Disney +), fast TV (free streaming which relies exclusively on ads, such as Pluto TV), and YouTube TV (and similar). As TV advertising becomes greater in quantity across an increased number of channels, it is increasingly important for brands to stand out from the noise with impactful emotion-led adverts which have been tested by TYA to ensure ultimate success. We have recently launched new features within TYA to keep it at the forefront of the industry and increase its applicability to major brands.<br><br>In response to the broadening of channels beyond linear and connected TV, we have developed a number of products targeted at these channels. Alongside our existing Out of Home and Audio products, in FY26 we refined our TYA Social product, and developed TYA Screen, an AI powered tool helping clients triage their "long tail" of advertising and prioritise those that they go on to test fully with humans. |

> It is important to note that 19 of the top 20 customers that transacted with System1 in FY25 did so again in FY26, demonstrating the commercial returns our insight provides in supporting marketing effectiveness.

FY26 was a year of challenges but also success: winning a record number of new customers and bringing the next generation of our platform products to market.

As flagged at the time of our Interim Results, the first half of the year saw less growth than we had anticipated. Organisations globally delayed marketing investment decisions, particularly market research, as they awaited greater clarity on the introduction of tariffs, against the ongoing challenging macroeconomic backdrop. After assessing the situation with the data available to us, the Board implemented cost efficiency actions in H2, removing approximately £1m in annualised costs, while protecting value-generating activities and strategic initiatives which are fundamental to setting the business up for long-term success. As a result, the business now has both the scalability and operational leverage to deliver our growth and profit margin ambitions in the near term.

We were confident that growth would return, but it was hard to predict the speed with which corporate marketing budgets would be released. I am therefore pleased to report that the second half of the year saw a return to a more typical spending pattern by our customers, particularly in the UK and Europe, which combined with a healthy new business performance throughout the year resulted in record H2 revenue. This has provided the business with a stronger base as we enter FY27.

It is important to note that 19 of the top 20 customers that transacted with System1 in FY25 did so again in FY26, demonstrating the commercial returns our insight provides in supporting marketing effectiveness. This resilient logo retention, combined with the success of the new business team, meant the Group sold to over 600 clients, including 48 of the World's Top 100 media spenders, each with considerable expansion opportunity.

Product innovation has always been, and will continue to be, the life blood of System1. The Group has blazed a trail in advertising effectiveness for over 25 years, combining a unique methodology with a proprietary database within a scalable platform, to deliver tangible commercial impact for our customers. Product innovation continued in FY26, resulting in the launch post year end of the next evolution of our Test Your Ad platform, with smarter diagnostics, more intuitive reporting and new AI-enabled capabilities. With an exciting roadmap of further AI capabilities in beta testing, we are confident Test Your Ad is, and will remain, the most useful and predictive creative measurement tool in the market.

We continue to work with strategic partners to accelerate our market reach and expand our offering, with a promising example of this being the partnership on innovation testing with the BionicX AI team which commenced during the year.

I would like to take this opportunity to mark the departure of System1 founder John Kearon as a director and shareholder. Without his insight and creativity 26 years ago, System1 would not exist, and advertising creativity would be much the poorer for it. He understood how marketing really works (at the emotional level) and created a business that has served the global marketing community brilliantly and will continue to do so going forward. All of us at System1 wish him well in his future endeavours. Brave Bison Group plc acquired John Kearon's 23% stake in System1 and, together with additional share purchases, Brave Bison's shareholding position is 27.85%. They signed a relationship agreement with us in April 2026, which is supporting a constructive and transparent relationship.

We also welcomed Lewis Robinson to the board as a Non-Executive Director in the year and are excited to be working with him as we focus on delivering sustainable value for all our stakeholders. His asset management background strengthens the Board's skillset and brings new perspectives to Board discussions.

The Board is proposing a final ordinary dividend of 6 pence per share, reflecting our confidence in the Group's prospects.

## Looking ahead

The Board is cognisant of our duty to deliver shareholder returns and we share the frustrations of our shareholders over the business and share price performance in FY26. We are rigorous in our assessment of the Group's strategy, market positioning and opportunity and remain confident we have the right ingredients to succeed. System1's leadership in emotion-based creative effectiveness testing, the scalability of our offering, the growing number of blue-chip clients, and a significant addressable market provide us with the foundations to deliver increased shareholder value and achieve our ambitions.

We have entered the current year a more resilient, streamlined organisation, with a sense of renewed momentum. While the macroeconomic backdrop continues to provide challenges to all businesses, we are confident in the long-term opportunity ahead.

On behalf of the Board, I extend my thanks to the System1 team, who have worked tirelessly throughout the year, delivering positive commercial impact at all levels of the organisation.

Rupert Howell
Chairman

> “This resilient logo retention, combined with the success of the new business team, meant the Group sold to over 600 clients, including 48 of the World's Top 100 media spenders, each with considerable expansion opportunity.”

# CEO's Statement

> "The progress made during FY26 provides encouraging evidence that our investment programme split into our three strategic revenue priorities of Winning in America, Winning in Innovation and Winning with the World's Largest Brands, is delivering results."

## Overview

FY26 was a year of continued strategic execution delivered against a challenging macroeconomic backdrop. We made meaningful progress across our three strategic revenue priorities, produced high impact thought leadership content, growing our fame, developed our products, expanded our database and enhanced the scalability of the business. While customer spending patterns were uneven at points during the year, we reacted by managing costs and investment in H2 and focusing on execution. This approach enabled us to deliver full year results in line with revised market expectations and finish the year strongly, with a record H2 performance providing increased momentum as we enter FY27.

Group revenue remained stable at £37.0m (FY25: £37.4m), with Platform Revenue increasing by 3% to £35.5m representing 96% of total revenue. The record £19.9m H2 Revenue was 16% higher than H1. We secured 323 new clients during the year (FY25: 293), contributing £10.7m of revenue (FY25: £7.9m), and ended FY26 with a cash balance of £12.4m and debt-free, providing flexibility to continue selectively investing in future growth.

The progress made during FY26 provides encouraging evidence that our investment programme split into our three strategic revenue priorities of Winning in America, Winning in Innovation and Winning with the World's Largest Brands, is delivering results. US Platform Revenue grew by 7%, Innovation revenue increased by 19% and we worked with 48 of the world's top 100 brands measured by advertising media spend, up from 44 in FY25. Alongside this, we continued to invest in our platform and capabilities, including investment of £4.5m in product and technology to support future growth and strengthen our proposition in a rapidly evolving market – an increase of £1.3m on FY25.

## Deepening customer relationships, to protect against macroeconomic disruption

The macroeconomic environment continued to influence customer behaviour during FY26. Across several markets, customers remained cautious around marketing investment decisions, creating periods of reduced spend and less predictable buying patterns.

Some regions were more affected than others. In Europe, customer spending was impacted during the first half by wider uncertainty and disruption across several sectors. Encouragingly, customer activity improved through the second half of the year, with European revenue growing particularly strongly, increasing to £2.2m in H2 from £1.3m in H1.

**96%**
**Platform revenue as a percent of total**

We are continuing to deepen our trusted advisor relationships with clients and strengthen how we support them globally. This includes increasing our focus on relationship management through the creation of client success teams, providing end-to-end support for client delivery and ensure our largest repeat customers have consistent access to the same core team of specialists. This is designed to improve the consistency of client engagement across markets, support stronger retention, and increase the opportunity to expand relationships over time.

## Increasing relevance in the age of AI

Our industry continues to evolve rapidly. AI is changing how content is created, tested and optimised and is reshaping customer expectations. While this creates challenges, it also presents significant opportunities. We continue to adapt our proposition to respond and capture this and other opportunities, investing £4.5m in product and platform development in the year and expanding our partnerships.

We are clear that use of AI within our products needs to be predictive, honest and transparent, providing useful insight and supercharging the power of human emotion. The wealth of human emotional data points within our proprietary database of creative intelligence, drawn from testing 130,000 ads and 65,000 innovation concepts spanning 108 categories across the US, UK and global markets, provides us with unique data set on which to train AI potential for future product offerings.

We are in the process of building out TYA Screen, an AI model based on our proprietary database, to help clients quickly triage their creative assets and select a subset of them for human testing. Now in beta testing with select customers, we will fully launch the offering in the coming months, expanding our addressable market within our customers. We have also used AI to build more insight into our TYA reports, drawing on best practice, thought leadership and inspiration from our database, increasing the attractiveness of our offering.

Alongside internal developments, we are exploring how partnerships, including BionicX AI, complement our capabilities by combining AI-driven ideation with independent emotion-based validation, as we build out our Innovation Ecosystem.

We continue to refine these use cases, while exploring further innovation in this space.

## Scaling Seamlessly: cost base efficiency

Throughout FY26, we remained disciplined in how we managed the business.

During the second half of the year, we implemented targeted initiatives, including carefully optimising go-to-market and regional resourcing plans and reviewing aspects of our operating model to ensure resources remained focused on near-term profitable growth opportunities. These actions entailed £0.5m of restructuring costs, and delivered approximately £1m of annualised cost savings in the second half, supporting the delivery of increased adjusted EBITDA margins going forward.

**323**
**New clients FY26**

Our three strategic revenue priorities: Winning in America, Winning in Innovation and Winning with the World's Largest Brands

Our three strategic revenue priorities align our investment and operational focus around the areas we believe represent our most valuable opportunities. We are confident these initiatives, alongside our ongoing efforts to increase efficiency and scalability, will result in increased shareholder value.

**1) Winning in America**

The size of advertising, innovation and marketing spend means that the USA remains our largest long-term opportunity. The total insights market is 7x the size of that in the UK, meaning comparable penetration would equate to over £100m of incremental revenue opportunity. We are therefore focused on growing our fame and credibility with the region's largest brands, ensuring our propositions delight new and existing clients.

We made further progress during FY26 despite challenging market conditions. Platform Revenue in the US grew by 7%, supported by strong new business performance and continued penetration into major brands. Progress in the region is measured through awareness, new business and retention metrics. During FY26, unaided awareness of System1 as a provider of market research and insight doubled from FY25 levels and new business increased by 29%, demonstrating encouraging progress in market visibility. Importantly, while the number of customer wins remained broadly consistent year-on-year, the quality and value of those wins increased meaningfully, with new US clients contributing £3.5m of Platform Revenue during FY26, up from £2.8m in FY25.

The team secured several important client relationships, including work with leading consumer, gaming and healthcare brands. We also signed our largest contract to date with a new US client during the final quarter, which is already contributing to revenue in FY27.

Our focus remains firmly on executing our strategy, strengthening relationships with major clients and continuing to build scale in our largest long-term growth market.

**2) Winning with Innovation**

Innovation remains a significant opportunity for System1, and we made encouraging progress during FY26.

Innovation revenue increased by 19% during the year, reflecting both continued investment and growing customer engagement. Around £0.8m of Innovation revenue came from new customers, demonstrating the ability of this offering to broaden our customer base. Clients secured to date include 6 large global consumer goods companies who between them have tested over 70 initiatives, with opportunities developing to become a mandated partner for innovation discovery and testing.

**7%**
**US growth in Platform Revenue**

Our focus is on revitalising our innovation offering to ensure it remains competitive within a rapidly evolving innovation landscape and increasingly aligned with the ways customers are creating, testing and developing ideas. We will do this through expanding our offering through the value chain to create an innovation ecosystem, comprising connected set of tools, guidance and evidence that help brands discover, shape, test and validate their ideas. We continue to see significant opportunities in supporting clients earlier in their innovation journeys, at the discovery phase, and AI is increasingly playing an important role at this stage.

During the year we announced our partnership with BionicX AI, combining AI driven insight discovery and idea generation, with expert practitioners, and independent emotion-based testing through our Test Your Innovation platform. We believe this broadens our addressable opportunity and strengthens our position within a rapidly evolving market.

Alongside revenue growth and product development, we remain focused on strengthening the innovation pipeline and improving repeat engagement. We track progress through metrics across our sales funnel, client repeat rates and net revenue retention, helping ensure our innovation proposition evolves in line with changing customer needs.

**3) Winning with the World's Largest Brands**

A key strategic focus for System1 is increasing our penetration with the world's largest brands and deepening those relationships over time, in order to create larger and more resilient revenue streams.

Our most engaged customers utilise multiple products across geographies and teams and spend over 3x the clients who use only advertising or only innovation services. The size of our target customers means we see a clear path to individual client relationships exceeding £2m–£3m as platform adoption deepens, and the adoption of both innovation and advertising offerings across our customer base having the potential to take us to a business of over £100m annual revenue.

The strength of our new business activities in the year means we expanded the number of large business we worked with, engaging with 48 of the world's top 100 brands by media spend, up from 44 in FY25.

As mentioned above, we continue investing in our proposition and client service model to strengthen engagement with our largest customers. In FY26, we created a cohort of "global strategic accounts" with a targeted client service model built around these accounts to provide an enhanced experience and appointed a Head of Global Accounts to help ensure our largest multinational customers receive a more integrated and consistent experience across territories.

## Partnerships and thought leadership

Thought leadership and partnerships continue to play an increasingly important role in extending our reach and strengthening our market position.

Our work with TikTok on The Long and the Short (Form) of It generated over 1,500 web submissions, while The Creative Dividend, developed with Effie, generated more than 7,800 engagements across associated content and events.

Alongside the BionicX AI partnership, we are also working with partners in areas such as media effectiveness, to create joint propositions in response to the increasing convergence of creative and media effectiveness spend, where clients are increasingly expecting to be able to integrate their creative effectiveness measurement with media effectiveness for a holistic view of performance across their advertising strategy.

These initiatives continue to help build awareness, support customer engagement and reinforce the strength of our proposition.

At the end of FY26, we transitioned the next chapter of Uncensored CMO, with Jon Evans moving on to focus on building the podcast and

> "Our focus is on revitalising our innovation offering to ensure it remains competitive within a rapidly evolving innovation landscape and increasingly aligned with the ways customers are creating, testing and developing ideas."

broader brand independently. We are delighted to be working with Jon as we continue to evolve the platform and deepen its connection with senior marketers and brand leaders globally. Uncensored CMO remains an important part of our thought leadership and customer engagement strategy, helping System1 reach the world's leading CMOs and marketers in an authentic and differentiated way.

## People

Our people remain central to the success of System1, and I would like to thank everyone across the business for their hard work, adaptability and commitment during FY26.

The year brought change across the organisation as we continued to evolve our structure and strengthen capabilities in key areas. We made a number of leadership appointments during the year, including bringing together our Product and Technology teams under a single leader, strengthening our US leadership and increasing focus across our commercial organisation.

As our industry evolves, ensuring our teams have the right skills and tools will remain a priority. Supporting our people through continued learning and AI upskilling will be an important part of maintaining our competitive position.

## Outlook

We have entered FY27 with momentum and confidence.

The investments made over recent years, combined with the cost efficiency actions taken during FY26, have created a stronger and more focused business, positioning us to improve profit margins. We have a growing customer base, deeper relationships with major brands and encouraging progress across our strategic priorities.

Our focus for the year ahead remains clear: continue to grow in the USA, further strengthen relationships with the world's largest brands, continue developing our Innovation and AI capabilities, and continue improving operational efficiency to scale seamlessly. By executing against these priorities, we aim to drive further margin improvement, enhance the quality and resilience of our revenues and create long-term value for shareholders.

While macroeconomic uncertainty remains and may continue to create periods of volatility, we believe the long-term opportunity for System1 remains significant and we enter FY27 well positioned for further growth.

James Gregory
Chief Executive Officer
7 July 2026

"Our focus for the year ahead remains clear: continue to grow in the USA, further strengthen relationships with the world's largest brands, continue developing our Innovation and AI capabilities, and continue improving operational efficiency to scale seamlessly."

# Financial Review

## Overview

| | 2026 ("FY26") £m | 2025 ("FY25") £m | Change £m | Change* % |
|---|---|---|---|---|
| **Results for the year ending 31 March** | | | | |
| Platform Revenue** | **35.5** | 34.5 | 1.1 | 3% |
| Other Revenue (Bespoke consultancy) | **1.4** | 2.9 | -1.5 | -51% |
| Total Revenue | **37.0** | 37.4 | -0.4 | -1% |
| Direct Costs | **(4.7)** | (4.5) | 0.2 | 3% |
| Gross profit | **32.3** | 32.9 | -0.6 | -2% |
| Operating costs | **(30.4)** | (28.0) | 2.4 | 9% |
| Other operating income | **0.2** | 0.4 | -0.2 | -38% |
| Profit before tax | **2.1** | 5.3 | -3.2 | -60% |
| Tax charge | **(0.8)** | (0.8) | 0.0 | -1% |
| Profit for the financial year | **1.3** | 4.5 | -3.2 | -71% |

All figures in the Financial Review are presented in millions rounded to one decimal place unless specified otherwise. Consequentially, not all figures presented cast to the totals.

* Year-on-year percentage movements are calculated based on the unrounded numbers reported in the financial statements and accompanying notes.

** Data and data-led consultancy

| | FY26 £m | FY25 £m | Change |
|---|---|---|---|
| **Key performance indicators** | | | |
| Platform revenue growth | **3%** | 39% | -36 points |
| Number of clients | **635** | 546^ | 16% |
| Gross profit % Revenue | **87%** | 88% | -1 points |
| *Adjusted profit before tax[1] | **2.2** | 5.2 | -57% |
| *Adjusted EBITDA £m[2] | **3.7** | 6.6 | -43% |
| *Adjusted EBITDA % Revenue | **10%** | 18% | -8 points |
| Rule of 40[3] | **13%** | 57% | -44 points |
| Free Cash Flow (FCF) £m[4] | **0.8** | 4.2 | -3.4 |
| Net Cash (£m) | **12.4** | 12.9 | -4% |
| Diluted earnings per share | **10.3p** | 35.2p | -71% |
| Ordinary dividend per share | **6.0p** | 5.5p | 9% |
| Special dividend per share | **-** | 5.5p | |

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

* Non-GAAP measures

^ Restated

## Overview

FY26 was a year of planned investment in improving our market position that coincided with macro headwinds which led to reductions in client spending, particularly in the first half of the year, when new US trade tariffs came into force. We adjusted our expenditure plans in light of this, which, combined with a rebound in sales revenue, led to a strong profit recovery in the second half.

**Revenue and Client Acquisition**

In total, over 300 new platform clients were onboarded in the year, providing revenue of £10.7m. New clients included a global media business, an international financial services group, a world-famous leisure business and an American multinational soft drink company. New clients in the USA contributed £3.5m of Platform Revenue, in line with the Group's focus on growing the USA business. Existing customer spend reduced during the year, due partly to the global macro-economic conditions in H1 and this reduced Platform NRR to 72% (FY25: 106%). At total revenue level this was offset by the Group's consistent success in securing new Adtesting and Innovation clients. Retention by customer number was broadly in line with prior years.

The number of active clients during the year increased to 635 (FY25: 546, restated), providing the Group with the potential for growth in revenue in future years. The Company strengthened its go-to-market in the Innovation product area by signing a partnership deal with BionicX AI that combines AI-driven insight discovery with independent, emotion-based testing, helping brands explore ideas faster while retaining confidence in innovations that will succeed in market.

**Revenue by Segment**

Innovation revenue responded to our focus and investment, increasing by 19% overall year-on year. Advertising was 2% down year-on-year despite growing 7% in H2 – this was due entirely to the previously mentioned H1 client budget cuts. Brand tracking revenue reduced by 15% due mainly to lower spend by two clients in the UK.

By region, the UK and US both grew year on year, and their combined sales represented 80% of the Group (FY25: 78%) reflecting our continued focus on the largest brands in the two biggest geographic markets. LatAm and Europe both declined in the year, the latter due entirely to temporary spending cuts in H1, largely as a result of the impact of US tariffs. H2 revenue in Europe rose by 18% versus H2 FY25.

**Gross profit**

The FY26 gross profit margin of 87.3% remained well above our 85% benchmark, albeit slightly below the prior year due partly to the growth of business with media partners, including fame-building publications and activities. We completed Project Boost which is designed to reduce direct costs by increasing research panel efficiency for our testing products and to improve gross profit margin from FY27.

**Operating expenditure**

Payroll costs currently represent around two-thirds of the Group's operating expenditure. Employee numbers (FTE) peaked early in the year at just over 200 and reduced thereafter as a result of efficiency initiatives in all areas of the business, ending the year on 184, similar to the end of FY25 (183). Total employee compensation rose by just 3%, on average FTE growth of 14% partly offset by significantly lower bonus payments compared with FY25.

Investment in product research and development (principally innovation, Adtesting and AI) rose by £1.3m from £3.2m to £4.5m, and amortisation of capitalised development cost amounted to £0.8m in the period compared with £0.5m of new capitalised development spend, resulting in a net P&L cost of £0.3m in the year.

The Group incurred an elevated level of restructuring costs during the year, largely as a result of cost-saving and efficiency actions, which included some changes to the Group's organisational structure and go-to-market approach. This restructuring of the cost base, while incurring one-off costs of approximately £0.5m in FY26, represents annualised cost savings of approximately £1m, providing the opportunity for greater operational leverage and improved margins.

**Taxation**

The Group's effective tax rate increased markedly from 16% to 39%. This is due mainly to the inclusion in the prior year of UK R&D tax credits in respect of two financial years (FY23 and FY24), which were surrendered for group relief in FY25. Excluding these R&D tax losses, the effective tax rate for the Group in FY25 would have been in the region of 30%. The Group submitted an R&D claim for FY25 in FY26 for an amount of £0.2m. In line with legislative changes to the UK R&D regime effective from 1 April 2024, the amount received has been reflected in pre-tax earnings in Other Operating Income and is subject to corporation tax. We anticipate that the effective tax rate for FY27 will be lower than in FY26.

**Liquidity**

The Group closed the year with net cash of £12.4m (FY25: £12.9m), reflecting continued strong cash collection and cost discipline. Free cash flow amounted to £0.8m due partly to the cash impacts of a strong prior year, primarily bonuses and tax, together with an additional £1.7m of additional discretionary investment. In H1 we paid £2.2m of bonuses and commissions accrued in FY25 (£2.6m in FY25 for bonuses and commissions accrued in FY24), and cash tax in the period amounted to an outflow of £1.1m (FY25: £0.7m). In October 2025 we paid an ordinary dividend of 5.5p per share and a special dividend of 5.5p per share, a total cash outflow of £1.4m.

**Capital allocation**

The board is proposing an ordinary dividend of 6 pence per share for FY26 (FY25: 5.5 pence). The proposed dividend reflects the Board's confidence in the Group's prospects. The Group retains a £1.5m overdraft facility which was unutilised throughout FY26.

Chris Willford
Chief Financial Officer
7 July 2026

# 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 600 customers and work hard to earn their loyalty. We recently established a client success team together with senior commercial roles with explicit responsibility for global strategic clients. 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. The Company maintains directors' and officers' liability insurance and engages external counsel where appropriate. |

| Risk Area | Potential Impact | Mitigation |
|---|---|---|
| **Regulatory and compliance** | The Group is subject to a growing body of regulation, including AIM rules, streamlined energy and carbon reporting, modern slavery reporting and emerging AI regulation. Failure to comply could result in regulatory action, reputational damage or loss of market confidence. | The Group monitors its regulatory obligations through its risk and governance function, supported by external advisers including its Nominated Adviser. Compliance is reported to the Board and relevant committees, and policies and disclosures are reviewed and updated as obligations change. |
| **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. We are in the process of building out TYA Screen, an AI model based on our proprietary database, to help clients quickly triage their creative assets and select a subset of them for human testing. |
| **AI Governance** | The Group's use of AI in its operations and client work creates risk around data handling, ownership of outputs and compliance with fast-evolving AI regulation. | The Group's current AI use is largely as a deployer of established enterprise tools, a lower-risk position, though it is developing its own model-based offerings which it expects to bring within the same controls. The Group operates an AI governance framework covering tool approval, supplier onboarding, contractual terms for client-facing use and human ownership of outputs. |

| Risk Area | Potential Impact | Mitigation |
|---|---|---|
| **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. |
| | 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. |
| **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 main exposure is to our customers' decisions on the size of market research budgets in response to external events and macroeconomic factors. |
| | Shareholder relations: the Company's plans could be opposed by significant shareholders | The Company has entered into a Relationship Agreement with its most significant shareholder governing conduct, non-interference and information arrangements. The Company holds comprehensive investor one-on-one and group meetings in roadshows at least twice a year. In addition, we hold occasional capital markets briefings. |
| | 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 the Middle East. We have an 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. |

| Risk Area | Potential Impact | Mitigation |
|---|---|---|
| **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

1

# 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.

> *System1 supported us at every stage of the creative process and was an instrumental part in helping us deliver advertising that resonates with broad and target audiences.*
>
> Nicola Matthews, UKI Head of Marketing, Tony's Chocolonely

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**

System1 is proud of having a healthy performance culture, one that trusts people to manage their time and energy in the way that delivers their best and achieve agreed upon results.

This approach is reflected in our Great Place to Work® ("GPTW") results. In 2025, we received an award for being a top 100 employer in the UK, based on surveying employees globally. Notable scores included:

- 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**ruth – always tell the truth… and tell it early
**I**ntent – always assume good intent…yet resolve issues
**D**ebate – Debate… Decide & Unite
**E**lephant – 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, hosted 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® (GPTW) feedback reinforces that this approach is working - employees report feeling genuinely heard, supported, and able to influence change.

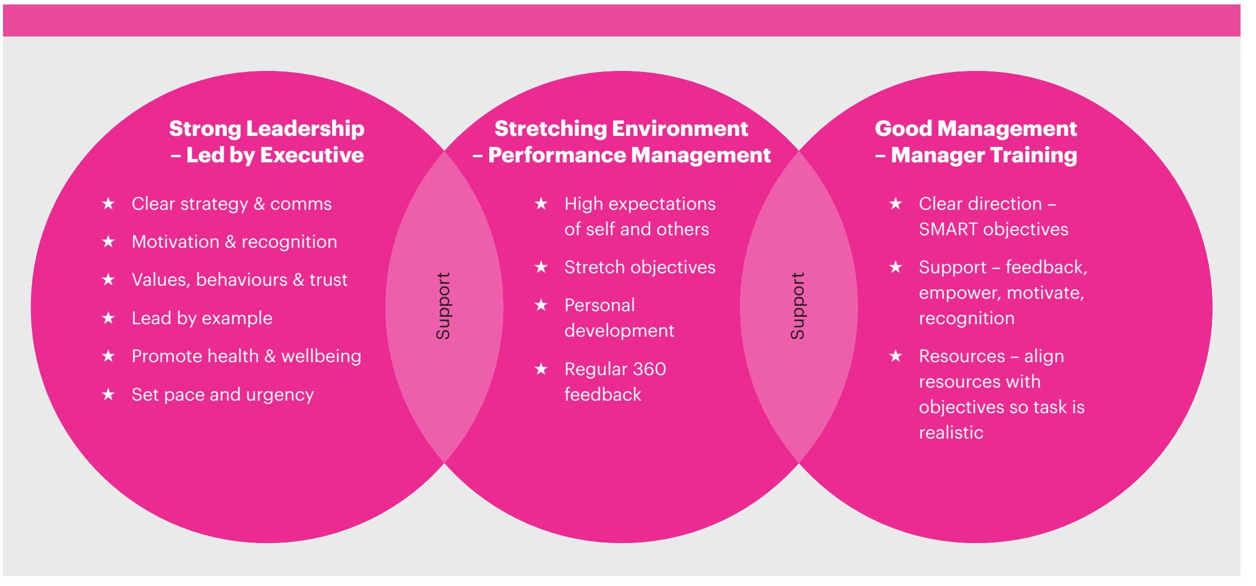
In addition to monthly Town Hall meetings with all staff, we also host ad hoc senior management forums and run monthly workshops with managers. These meetings ensure consistent communication, alignment, and celebration — including our System1 Value Awards, where employees are nominated for living our 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 and internal coaching delivered by qualified coaches in the HR department.

**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. As mentioned above, 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.

We automate, mandatory 360 feedback for all employees and operate departmental and behavioural frameworks. These 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 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 all own shares 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 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" in tandem with joint broker Singer Capital Markets.

**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 20, 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 regular 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 suppliers deliver services including:

- Provision of market research panel respondents to complete our surveys
- Provision of survey programming and project management services
- Provision of bespoke data processing and charting services on our non-standard deliverables
- Provision of platform technology services to support designing and running surveys
- Provision of infrastructure to host, and manage, video content online
- Provision of cloud-based hosting, data storage, computing and application platform services

**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**

At System1, we've been steadily strengthening our approach to sustainability, with ongoing work to improve how we collect, analyse, and report our data. This includes partnering with industry-leading sustainability experts: Greenly between 2022 and May 2025 and Furthr from June 2025 to present day.

As part of our transition to Furthr, we took the opportunity to align our greenhouse gas (GHG) reporting from calendar year to fiscal year, bringing together Greenly's reporting for April – December 2024 with Furthr's data processing for January – March 2025. In keeping with this update, our baseline year has been remodelled from 2023 (calendar year) to FY24 (01 April 2023 – 31 March 2024), and total emissions for our baseline year restated as 1,514 tCO2e and 10.9 CO2e per employee. FY24 best represents business-as-usual post-Covid, giving us a more meaningful reference point for tracking progress going forward.

| Reporting Period | FY23 | FY24 (Baseline) | FY25 | FY26 |
|---|---|---|---|---|
| Total Emissions (tCO2e) | 1,187 | 1,514 | 1,311 | **1,388** |
| tCO2e/FTE | 9.97 | 10.90 | 8.36 | **8.02** |
| tCO2e/m£ revenue | 50.70 | 50.43 | 35.03 | **37.56** |

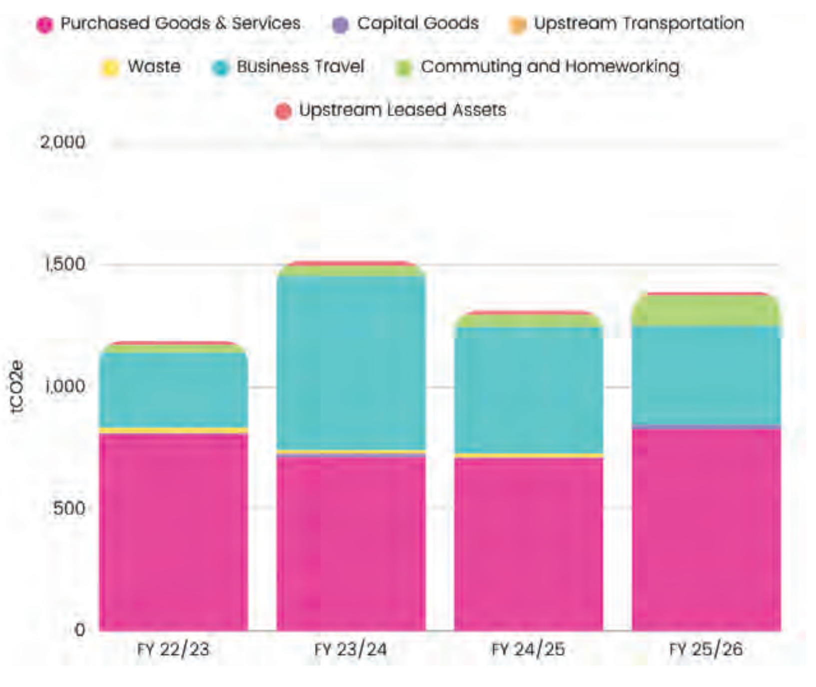
**Emissions Over Time**

System1 first reported emissions in 2023 for the 2022 calendar year. At this time, business activity was still recovering after Covid and both travel and commuting was below normal levels. At this point, Purchased Goods and Services were the largest source of emissions, accounting for more than half of our total footprint.

In 2023, business activity returned to normal hence the rise in our FY24 reported total emissions to 1,514 tCO2e and 10.90 tCO2e per employee. This year was therefore chosen as our baseline year, serving as a more representative benchmark upon which to measure future progress.

By comparison, FY25 reported emissions of 1,311 tCO2e and 8.36 tCO2e per employee: respective reductions of 13% and 23% compared with the FY24 baseline.

Purchased Goods and Services have remained the biggest contributor to emissions year on year.

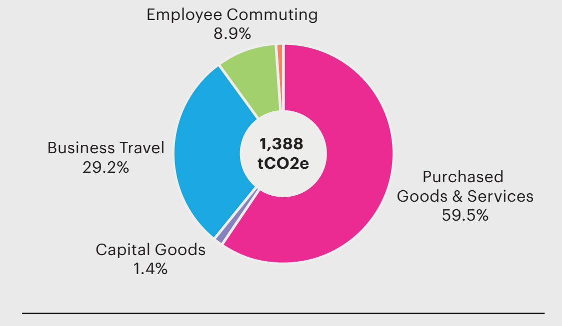


**FY26 Emissions**

Our latest report shows FY26 emissions at 1,388 $tCO_2e$, 37.56 $tCO_2e$ per million and 8.02 $tCO_2e$ per employee. This is a 6% year-on-year increase in total emissions and a 7% increase in emissions intensity per million, in line with increased business spend and stable sales revenue. Encouragingly, emissions intensity per employee has fallen by 4%, demonstrating our ability to scale headcount efficiently and in an environmentally sensitive manner. All metrics also remain well below our FY24 baseline, indicating carbon efficiency is improving over time.

The slight rise in FY26 total emissions is largely driven by increases in:

- Purchased Goods and Services: in line with increased business spend but also a by-product of more accurate emissions measurement based on supplier-specific data rather than generic, spend-based emissions factors as used in previous years.
- Employee Commuting and Homeworking: Due to a combination of a 10% increase in overall FTE, an improved survey methodology capturing more detailed data on commuting patterns and home energy tariffs, and updated emissions factors. This increase primarily reflects improved data coverage rather than a significant change in underlying employee behaviour.
- Capital Goods: driven by the timing of IT hardware purchases (laptops and mobiles) within the new reporting period, rather than a structural change in expenditure.




Our largest opportunities for improvement remain within Purchased Goods and Services, Business Travel and Employee Commuting.

**Benchmarking**

Comparing emissions intensity against sector peers provides useful context, although directly comparable data for market research businesses at System1's scale is limited, and reporting methodologies, boundary decisions, and levels of Scope 3 inclusion vary considerably across organisations.

Available data from https://www.decarbonops.com/blog/carbon-footprint-per-employee-benchmark suggests System1's emissions intensity is at the lower end of the typical range for professional services firms who engage in regular international travel, which spans from 8-15 $tCO_2e$ per employee.

**Decarbonisation Actions**

System1 has now created its first net zero strategy and is implementing solutions to reduce emissions, including:

- Engaging priority suppliers to understand their emissions, net zero plans and opportunities to reduce emissions across System1's supply chain
- Increasing the use of supplier-specific emissions data, supported by public reporting, questionnaires and direct supplier outreach, to improve the accuracy of our purchased goods and services footprint
- Replacing spend-based estimates for freelancer-related emissions with more accurate activity-based data, captured through short surveys covering travel, homeworking energy, equipment use and materials
- Reviewing our business travel approach to reduce avoidable flights, prioritise lower-carbon alternatives such as rail where practical, and strengthen approval processes for higher-emission travel

- Promoting lower-carbon commuting and homeworking choices, including employee education on renewable energy tariffs and more sustainable travel options.
- Utilising offices that operate on green-electricity contracts.
- Running energy-efficient IT operations through optimised cloud computing and storage practices, further supported by Microsoft Azure's ESG commitments, Cloud and digital efficiency.
- Prioritising refurbished IT equipment for replacements and new hires where suitable, helping to reduce embodied emissions, capital spend and e-waste.
- Improving waste data collection across leased office spaces by requesting more detailed waste-by-stream reporting and using this to identify opportunities to divert waste from landfill.
- Continuing to track progress annually and refresh our emissions projections so that our reduction plan remains aligned with actual business activity and operational priorities.

**Streamlined Energy and Carbon Reporting**

In line with Streamlined Energy and Carbon Reporting (SECR) requirements, System1 is required to report its energy consumption and greenhouse gas emissions arising in the UK. This is the first year that System1 has reported under the UK Streamlined Energy and Carbon Reporting (SECR) framework.

Given System1 energy is all via leased assets, we report all emissions under Scope 3. However, SECR requires us to disclose our specific UK energy usage, so to comply with this we have elected to report UK leased-office electricity and natural gas consumption on an equivalent Scope 1 and Scope 2 basis, covering natural gas combustion and purchased electricity generation. Transmission and distribution losses have been excluded, as these fall under Scope 3 Category 3: Fuel- and Energy-Related Activities and are outside the SECR boundary applied.

System1 has also reported fuel combustion from UK staff vehicles used for business travel. Under the GHG Protocol, these emissions are reported within Scope 3 Category 6: Business Travel, where they relate to vehicles not owned or controlled by System1.

| Source of Energy & Emissions | Energy Consumption (MWh) FY26 | GHG Emissions ($tCO_2e$) FY26 |
|---|---|---|
| Combustion of Natural Gas | **14.83** | **2.71** |
| Natural Gas Total | **14.83** | **2.71** |
| Generation of Purchased Electricity | **51.32** | **7.62** |
| Electricity (location-based) Total | **51.32** | **7.62** |
| Generation of Purchased Electricity | **51.32** | **0.00** |
| Electricity (market-based) Total | **51.32** | **0.00** |
| Combustion of Fuel in Staff Vehicles (Grey Fleet) | **4.78** | **1.47** |
| Grey Fleet Total | **4.78** | **1.47** |
| Grand Total (location-based) | **70.94** | **11.80** |
| Grand Total (market-based) | **70.94** | **4.18** |

System1 has selected the following metrics for measuring emissions intensity:

- Full-time equivalent employee ($tCO_2e$/FTE)
- Floor area of UK office spaces ($tCO_2e$/sqft)
- Revenue of UK business ($tCO_2e$/m£)

These metrics have been selected as a consistent basis for tracking year-on-year emissions performance.

| Business Metric | Volume | Unit |
|---|---|---|
| UK FTE | 90.80 | FTE |
| UK floor area | 2,124 | sqft |
| UK revenue | 16.55 | £m |

| Intensity Metric (location-based) | Energy Consumption (MWh) | GHG Emissions ($tCO_2e$, for SECR only) |
|---|---|---|
| per FTE | 0.78 | 0.13 |
| per sqft | 0.03 | 0.01 |
| per £m | 4.29 | 0.71 |

For specific Energy Efficiency and Carbon-Saving actions taken in FY26, please see the 'Decarbonisation Actions' section above.

**Social**

We continue to strengthen our commitment to social responsibility and inclusivity to life across System1.

One important and very topical development globally this year is in the area of AI capabilities. We have made a commitment to training all of our staff, which is beneficial to the business as well as individuals for their careers. This inclusive approach is delivering strong results in terms of skills adoptions and solutions across the business.

Another important development this year has been our preparation for UK employment law changes. Two significant areas to call out are the evolution of policies and training around performance management and harassment. As well as complying with local laws, we aim to apply best practice globally, wherever possible.

We continue to deliver unconscious bias training to all teams, supporting inclusive teamwork, management, and recruitment. Participation in mandatory training is 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.

We review our Diversity Policy annually, 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.

To support transparency, we maintain a central ESG section on our company intranet as well as a Culture section on our website.

As part of our commitment to continual improvement, we regularly review 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 FY26, we continued to embed deeper oversight, sharpen accountability and future-proof our practices.

**Governance structures evolving with the business**
Our governance framework continues to be reviewed against the QCA Corporate Governance Code, the AIM rules, regulatory developments and peer benchmarks. In FY26 we began a full review of all Board sub-committee Terms of Reference – due to conclude in FY27 – keeping each fit for purpose as the Group grows. The year also saw us formalise two new Board committees. From the start of FY26 we established a dedicated Nominations Committee - four Non-Executive Directors, chaired by Phil Machray - responsible for ensuring the Board and senior leadership retain the right mix of skills, diversity, continuity and succession to support the Group's strategy. Alongside it, we established a dedicated ESG Committee, chaired by Conrad Bona, giving environmental, social and governance matters focused Board-level oversight.

**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. The Board's composition changed during FY26. John Kearon ceased to be a Director of the Company during the year, and on 2 March 2026 Lewis Robinson was appointed as a Non-Executive Director. Lewis is not considered independent, and this is reflected in how we assess overall Board balance and independence.

**Enterprise risk firmly embedded**
Risk 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.

**Responsible AI governance**
As an insight-led business increasingly deploying AI in how we work and serve clients, we built a governance framework to make sure we adopt these tools responsibly. As a deployer of AI, our focus is on how it's used - underpinned by clear internal policies, humans staying in the loop, and transparency about where and how AI shows up in our work. The aim is straightforward: move at the pace of the business while protecting client trust, intellectual property and data.

**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**
We continue to test our defences and response protocols. During FY26, we built on the cyber threat simulation completed in FY25, validating our preparedness and informed targeted enhancements to strengthen resilience further.

**Recognition for compliance and strong oversight**
Our 2024 AIM Governance Award remains a benchmark we hold ourselves to rather than a milestone we've moved past, a reminder of the standard we expect of our own governance year on year. 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
7 July 2026

# Governance & Group Directors' Report

1

# 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 ordinary dividend of 5.5p per share and an additional special dividend of 5.5p per share for the year ended 31 March 2025 on 17 October 2025 (ex-dividend date 25 September 2025). The Company proposes to pay an ordinary dividend of 6p per share for FY26, which will be put to the Group's annual general meeting on 25 September 2026.

**Directors**

The following individuals served as directors of the Company, System1 Group PLC, during the year:

| | |
|---|---|
| James Gregory | (Executive) |
| Chris Willford | (Executive) |
| Conrad Bona | (Non-Executive) |
| Rupert Howell | (Non-Executive) |
| Philip Machray | (Non-Executive) |
| Sophie Tomkins | (Non-Executive) |
| John Kearon | (Non-Executive) – resigned 3 March 2026 |
| Lewis Robinson | (Non-Executive) – appointed 2 March 2026 |

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

**Share capital**

At 31 March 2026, the Company had 13,226,773 Shares in issue (2025: 13,226,773) of which 537,700 were held in treasury (2025: 537,700). The treasury shares may be used to satisfy the requirements of the Group's share incentive schemes.

**Substantial shareholders**

As at 1 June 2026, the Company was aware of the following significant interests in the ordinary issued share capital of the Company.

| | Number | % of voting shares |
|---|---|---|
| Brave Bison Group Plc | 3,534,010 | 27.9 |
| Crucible Clarity Fund* | 904,714 | 7.1 |
| BGF Investment Management Limited | 847,000 | 6.7 |
| Polo Capital SICAV | 700,000 | 5.5 |
| Kestrel Investment Partners | 584,943 | 4.6 |
| Stefan Barden | 513,629 | 4.1 |
| Interactive Investor | 496,278 | 3.9 |
| Hargreaves Lansdown Asset Mgt Clients | 447,544 | 3.5 |
| Octopus Investments | 411,937 | 3.3 |

*Crucible Clarity Fund is managed by Lewis Robinson, who was appointed as a Non-Independent, Non-Executive Director on 2 March 2026. Lewis Robinson indirectly owns c.2.5% of Crucible Clarity Fund Plc.

Brave Bison Group plc acquired John Kearon's 23% stake in System1 and, together with additional share purchases, Brave Bison's shareholding position was 27.85% in the final month of the year and they signed a relationship agreement with System1 in April 2026, which aims to foster a constructive and transparent relationship between the two parties (full details of the key terms can be found here Investor News - System1 Group PLC). The Relationship Agreement will terminate if Brave Bison and its associated undertakings cease to hold, in aggregate, 17.5 per cent of the voting rights attaching to the issued ordinary share capital of the Company.

**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 into 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 £12.4m 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 Product Development, Technology Management and Labs 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
7 July 2026

# 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
7 July 2026

### 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 Group'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 Growth Strategy page 6 and CEO's Statement page 12 |
| Seek to 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 24 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 20 and Board Effectiveness page 44 |

**Maintain a dynamic management framework**

| | | |
|---|---|---|
| Maintain the Board as a well-functioning, balanced team led by the Chair | Throughout FY26, the Board had four Committees: Audit Committee, Remuneration Committee, Nomination Committee and ESG 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 to 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 on 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 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 26 |

**Build trust**

| | | |
|---|---|---|
| Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture | Remuneration Committee meets at least twice a year | See Remuneration Report on page 48 |
| 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 Audit Committee report on page 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 two Executive Directors, four independent Non-Executive Directors, including the Non-Executive Chairman, and one non-independent Non-Executive Director as at 31 March 2026. 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 pages 50 to 53 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.

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 four of the five 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.

Lewis Robinson was appointed as Non-Independent Non-Executive Director on 2 March 2026. Lewis Robinson is not an Independent Non-Executive as a consequence of his management role at Crucible Clarity Fund Plc, the Company's second largest shareholder.

The Board schedules regular monthly meetings during the year, 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. The number of regular meetings that each director attended during the financial year is set out below:

| | Board (12 meetings) | Audit Committee (2 meetings) | Remuneration Committee (5 meetings) | Nomination Committee (3 meetings) | ESG Committee (2 meetings) |
|---|---|---|---|---|---|
| Rupert Howell | 12 | 2 | 5 | 3 | - |
| Sophie Tomkins | 12 | 2 | 5 | 3 | - |
| Phil Machray | 12 | 2 | 5 | 3 | - |
| Conrad Bona | 12 | 2 | 5 | 3 | 2 |
| Lewis Robinson* | 1 | - | - | - | - |
| James Gregory | 12 | 1* | 1* | 2* | - |
| John Kearon*** | 11 | - | 2* | 1* | - |
| Chris Willford | 12 | 2* | - | 1* | 1* |

* by invitation

**appointed 2 March 2026

***resigned 3 March 2026

**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.

The provisions on engagement with stakeholders including shareholders, employees and customers are dealt within the Section 172 Report on pages 24 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

During the year, an internally facilitated review of the Board's effectiveness was undertaken. The review concluded that the Board continues to operate effectively. Looking ahead, the Board will maintain its focus on succession planning and on its communications with stakeholders.

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 17 to 23.

### 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 practice as a lawyer in multiple jurisdictions. No longer practicing law Conrad now advises companies on a wide range of commercial, financial and business matters.
**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 was appointed the Chairman of the Board on 28 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 currently Co-founder/Chairman of Pinwheel, the sustainable living & planet repair app.
**Favourite ad of all time:** Tango *Slap*

**Philip Machray**
Independent Non-Executive Director

Phil joined System1 Group in 2022 as a Non-Executive Director and was appointed Chairman of the Remuneration Committee in September of the same year. 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 plc (now Merit Group Ltd), a data and intelligence business, as Chief Financial Officer and since January 2024, as Chief Executive Officer. Phil is a Non-Executive Director and audit committee Chair of Digitalbox, a mobile-first digital publisher and AIM-listed company.
**Favourite ad of all time:** John Smiths *Peter Kay, 'Ave It*

**Lewis Robinson**
Non-Executive Director

Lewis Robinson joined System1 Group in March 2026 as Non-Executive Director. He began his career in emerging market economics at Deutsche Bank before joining Palm Global, a US-headquartered hedge fund. Subsequently, he took up roles advising and leading transactions for several family offices across a range of public and private asset classes. In 2019 he founded Crucible Clarity Fund, an investment vehicle focused on UK smaller companies.
**Favourite ad of all time:** *'Total Eclipse'* from Jaffa Cakes

**Sophie Tomkins**
Senior Independent Non-Executive Director

Sophie joined the Board as Non-Executive Director in June 2018. 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 of Wilmington PLC, Virgin Wines UK PLC and AO World 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 | ★ | ★ | | ★ | ★ |
| Phillip Machray | | ★ | ★ | ★ | |
| Lewis Robinson | | ★ | ★ | ★ | |
| 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 48 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 FY26 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.

**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.

**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, with the findings reported during FY26. No significant control weaknesses were identified as a result of the review, and management have implemented revised processes in response to the recommendations made.

**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 2026.

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**

FY25 and FY26: 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 FY26 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 Sales Revenue and Adjusted Profit before Taxation. On target performance equated to a 100% of salary award to James Gregory and 70% of salary for Chris Willford. STIP reward was capped at 2x the on-target %. As the actual achievement of the Company fell below the minimum performance thresholds established under the STIP, no amounts will be paid to the Executive Directors or to any other participants in the scheme.

**The long-term incentive plan**

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

**2025 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.

**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 occurs 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 Tax[1] weighting is 40%.
    - 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.

[1] Profit before tax plus share-based payment expenses

The previous 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 lapsed before or on 12 August 2025.

At 31 March 2026, there were two Executive Director participants in the 2025 LTIP (James Gregory, and Chris Willford) and six senior manager participants. The specific vesting levels are set out as follows:

| Equity level shares | No. | Of issued Shares | Revenue and Profit target | |
|---|---|---|---|---|
| Executive Directors | 55,552<br>407,385 | 0.4%<br>3.1% | £46.0m and £5.9m<br>£85.0m and £20.0m | Threshold<br>Stretch |
| | 462,937 | 3.5% | | |
| Senior Managers | 63,216<br>463,588 | 0.5%<br>3.5% | £46.0m and £5.9m<br>£85.0m and £20.0m | Threshold<br>Stretch |
| | 526,804 | 4.0% | | |

### 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.

### 2021 LTIP

All options previously granted under the 2021 LTIP and the Non-Employee Plan as amended in October 2021 lapsed upon publication of the FY2025 financial statements, and as the performance conditions had not been satisfied within the specified time-period, all accumulated charges in respect of the 2021 LTIP were released in full to the income statement in the year ended 31 March 2025 (a credit of £126,000).

### Dilution

There are no outstanding vested options at 31 March 2026 (2025: nil).

Unvested options at 31 March 2026 comprise options granted under the 2025 LTIP scheme and the Executive option scheme, all described above. The maximum aggregate dilution under these schemes is 8.0% 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

| Year ended 31 March 2026 (audited) | Salary £ | Payment in lieu of pension £ | Consultancy £ | Bonus £ | Benefits £ | Pension £ | Comp for loss of office £ | Total £ |
|---|---|---|---|---|---|---|---|---|
| James Gregory | **293,550** | **-** | **-** | **-** | **181** | **19,209** | **-** | **312,940** |
| John Kearon* | **102,142** | **-** | **50,000** | **-** | **3,271** | **6,165** | **41,667** | **203,245** |
| Chris Willford | **216,300** | **12,978** | **-** | **-** | **5,111** | **-** | **-** | **234,389** |
| Total | **611,992** | **12,978** | **50,000** | **-** | **8,563** | **25,374** | **41,667** | **750,574** |

*Effective from 1 September 2025, John Kearon became a Non-Executive Director. The remuneration disclosed above covers both his Executive and Non-Executive roles.

| Year ended 31 March 2025 (audited) | Salary £ | Back-dated salary* £ | Payment in lieu of pension £ | Bonus £ | Benefits £ | Pension £ | Total £ |
|---|---|---|---|---|---|---|---|
| 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 |

*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 2026 held the following shares in the Company as at that date:

| | No | % | Dividends received in the year |
|---|---|---|---|
| Conrad Bona | 40,000 | 0.3% | 3,158 |
| Chris Willford | 39,666 | 0.3% | 3,703 |
| James Gregory | 22,884 | 0.2% | 1,692 |
| Lewis Robinson* | - | - | - |
| Philip Machray | 15,380 | 0.1% | 1,690 |
| Rupert Howell | 11,000 | 0.1% | 1,210 |
| Sophie Tomkins | 13,000 | 0.1% | 880 |

*Lewis Robinson is the managing director of Crucible Clarity Fund, which holds 7.1% of the Company's shares. Lewis Robinson indirectly owns c.2.5% of Crucible Clarity Fund Plc.

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 2025 | Granted in year | Cancelled in year | **No. at 31 Mar 2026** |
|---|---|---|---|---|---|---|---|
| **James Gregory** | 27/10/2021 | 12/08/2022 | 0.0p | 132,267 | - | (132,267) | **-** |
| | 26/06/2024 | 26/06/2026 | 0.0p | 30,103 | - | - | **30,103** |
| | 13/05/2025 | 31/07/2027 | 0.0p | - | 297,602 | - | **297,602** |
| **Chris Willford** | 27/11/2020 | 12/08/2022 | 0.0p | 132,267 | - | (132,267) | **-** |
| | 13/05/2025 | 31/07/2027 | 0.0p | - | 165,335 | - | **165,335** |

There were no equity awards or vesting of options other than under the 2025 LTIP and Executive Option Scheme 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.

| | **2026** £ | 2025 £ |
|---|---|---|
| Conrad Bona | 41,200 | 38,000 |
| Lewis Robinson (appointed 2 March 2026) | - | - |
| Philip Machray | 41,200 | 40,000 |
| Rupert Howell | 62,000 | 52,000 |
| Sophie Tomkins | 47,380 | 46,000 |
| | **191,780** | 176,000 |

Philip Machray

Chair, Remuneration Committee

# Independent Auditors' Report

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

**Opinion**

We have audited the financial statements of System1 Group PLC (the 'parent Company' or the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise:

| Group | Company |
|---|---|
| The Consolidated Income Statement;<br>the Consolidated Statement of Comprehensive Income;<br>the Consolidated Statement of Changes in Equity;<br>the Consolidated Balance Sheet;<br>the Consolidated Statement of Cash flows;<br>and related notes to the financial statements | the Company Statement of Changes in Equity;<br>the Company Balance Sheet;<br>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 2026 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.

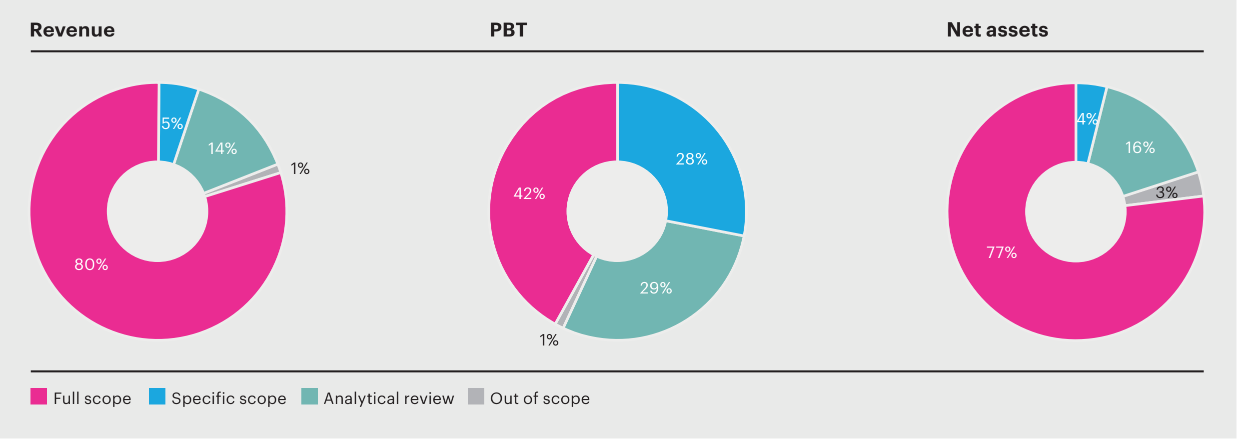
The scope of the audit and our audit strategy was developed by using our audit planning process to obtain an understanding of the Group, its activities, its internal control environment, current, and where relevant to our audit, likely future developments.

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. As part of our group audit scoping, five components were identified as having material revenue balances. Specific audit analytical review procedures were performed over revenue at each of these components, providing coverage of 99% of the Group's revenue balance. Further information around these procedures is disclosed within the key audit matters section of this report. The remaining components were deemed to be out of scope.

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 parent Company's and Group's ability to continue to adopt the going concern basis of accounting included:

- Discussing management's assessment of the parent Company's and Group's ability to remain a going concern;
- Reviewing and understanding the cash flow forecasts for the period to end of July 2027 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 2027; 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 parent Company's or 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.

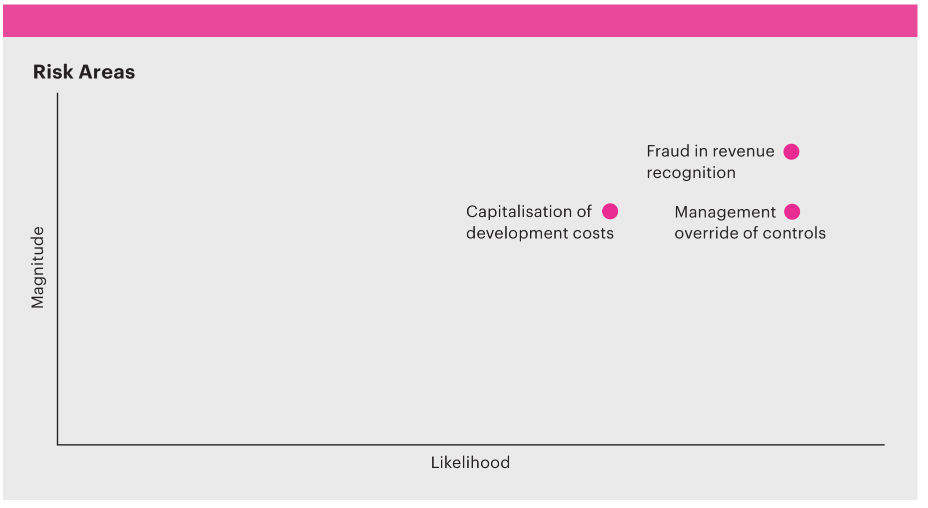
In determining the key audit matters we considered the:

- 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 we 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)**

| | |
|---|---|
| **Key audit matter** | The Group's revenue recognition policy is included within the accounting policy in Note 4 of the financial statements.<br>During the year ended 31 March 2026, the Group has recognised revenues of £36,951k (2025: £37,426k). 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.<br>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. |
| **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:** | 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:<br>• 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;<br>• 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";<br>• 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;<br>• We performed test of details for transactions in March 2026 and April 2026, obtaining evidence to demonstrate the performance obligations were satisfied in the period in which the transaction had been recognised;<br>• We performed substantive testing over deferred income balances, including agreeing selected items to supporting contracts and assessing whether revenue had been recognised in the appropriate period. We also assessed the completeness of deferred income by evaluating whether amounts received or invoiced in advance of performance obligations being satisfied had been appropriately deferred. This included testing transactions around the year end to evaluate the effectiveness of management's revenue cut-off procedures;<br>• 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;<br>• We applied data analytical procedures to assess the relationship between revenue and margin movements throughout the year across the Group, including non-significant entities, and investigated any unexpected fluctuations identified.<br>• We performed an analytical review of revenue and gross profit from 1 April 2025 to 31 March 2026 to assess the cut off of revenue by comparing actuals to our expectation. We obtained supporting rationale for any variances outside of our expectations. This procedure was performed for all in scope components, including those classified as specific scope (analytical review). |




**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.

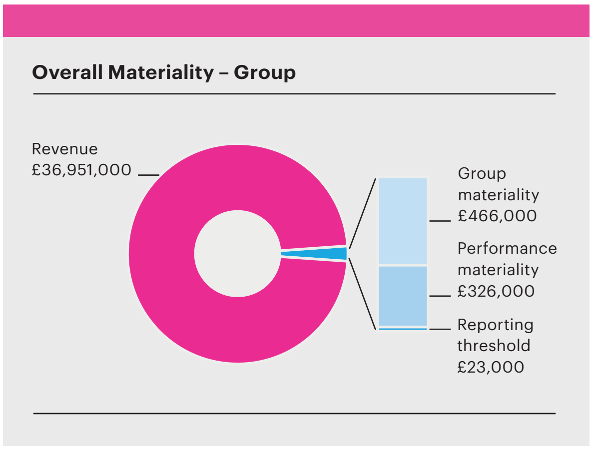
**Group Financial Statements**

| | |
|---|---|
| Materiality | £466,000 (2025: £480,000) |
| Benchmark | Materiality for the Group was determined to be 1.25% (2025: 1.25%) of total forecast Group revenues for the period, based on the point at which we performed our audit planning and risk assessment.<br>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.<br>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.<br>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 1.26% of Group revenues. |
| Basis for, and judgements used in the determination of materiality | 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.<br>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. |

**Parent Company Financial Statements**

| | |
|---|---|
| Materiality | £80,000 (2025: £106,000) |
| Benchmark | Materiality for the Parent Company was determined to be 0.6% (2025: 1.25%) 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.<br>Parent Company materiality was determined at the planning stage using total assets as the primary benchmark. However, by the year-end total assets increased. This increase was principally attributable to intercompany balances arising from transactions within the Group. Given the nature of the increase and that it did not reflect a corresponding increase in the scale or complexity of the parent Company's external activities, we concluded that it was appropriate to retain the planning materiality level. On a gross basis, the resulting materiality is lower than 1% of total assets at the year end. However, when intercompany balances are considered on a net basis, materiality represents approximately 1.5% of total assets, which remains consistent with our planned materiality assessment and supports the continued appropriateness of the materiality applied. |
| 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 £326,000 (2025: £336,000). 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 £56,000 (2025: £70,000).

**Reporting threshold** – The reporting threshold to the audit committee was set as 5% of materiality, being £23,000 (2025: £24,000).

Reporting threshold for the parent Company was set at 5% of materiality, being £4,000 (2025: £5,000).

### 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 tha

### 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. 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 and those charged with governance 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;
- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws or regulations;
- 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, particularly relating to development costs capitalisation.

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
7 July 2026

# Financial Report

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# Consolidated Income Statement
for the year ended 31 March 2026

| | Note | 2026 £'000 | 2025 £'000 |
|---|---|---|---|
| **Revenue** | 5 | **36,951** | 37,426 |
| Cost of sales | 16 | **(4,685)** | (4,565) |
| **Gross profit** | | **32,266** | 32,861 |
| Administrative expenses | 16 | **(30,390)** | (27,975) |
| Other operating income | 17 | **235** | 381 |
| **Operating profit** | | **2,111** | 5,267 |
| Finance income | 20 | **63** | 62 |
| Finance expense | 20 | **(36)** | (26) |
| **Profit before taxation** | 21 | **2,138** | 5,303 |
| Income tax expense | 21 | **(824)** | (830) |
| **Profit for the financial period** | | **1,314** | 4,473 |
| **Attributable to the equity holders of the Company** | | **1,314** | 4,473 |

| | | | |
|---|---|---|---|
| **Earnings per share attributable to equity holders of the Company** | | | |
| Basic earnings per share | 23 | **10.4p** | 35.3p |
| Diluted earnings per share | 23 | **10.3p** | 35.2p |

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 2026

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| **Profit for the financial period** | **1,314** | 4,473 |
| **Other comprehensive income:** | | |
| **Items that may be subsequently reclassified to profit/(loss)** | | |
| Currency translation differences on translating foreign operations | **265** | (255) |
| Other comprehensive income for the period, net of tax | **265** | (255) |
| **Total comprehensive income for the period attributable to equity holders of the Company** | **1,579** | 4,218 |

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

# Consolidated Balance Sheet

as at 31 March 2026

REGISTERED COMPANY NO. 05940040

| | Note | 2026<br>£'000 | 2025<br>£'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant, and equipment | 6 | **1,104** | 638 |
| Intangible assets | 7 | **1,019** | 1,254 |
| Deferred tax asset | 22 | **223** | 194 |
| | | **2,346** | 2,086 |
| **Current assets** | | | |
| Contract assets | | **125** | 205 |
| Trade and other receivables | 9 | **7,299** | 6,822 |
| Cash and cash equivalents | 8 | **12,385** | 12,871 |
| | | **19,809** | 19,898 |
| **Total assets** | | **22,155** | 21,984 |
| **Equity** | | | |
| **Attributable to equity holders of the Company** | | | |
| Share capital | 10 | **132** | 132 |
| Share premium account | | **1,601** | 1,601 |
| Merger reserve | | **477** | 477 |
| Foreign currency translation reserve | | **361** | 96 |
| Retained earnings | 4 | **11,834** | 11,797 |
| **Total equity** | | **14,405** | 14,103 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Lease liabilities | 15 | **484** | - |
| | | **484** | - |
| **Current liabilities** | | | |
| Provisions | 11 | **21** | - |
| Lease liabilities | 15 | **510** | 526 |
| Contract liabilities | 14 | **1,122** | 758 |
| Income taxes payable | | **331** | 643 |
| Trade and other payables | 13 | **5,282** | 5,954 |
| | | **7,266** | 7,881 |
| **Total liabilities** | | **7,750** | 7,881 |
| **Total equity and liabilities** | | **22,155** | 21,984 |

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 7 July 2026 and are signed on their behalf by:

James Gregory
Director

Chris Willford
Director

# Consolidated Statement of Cash Flows

for the year ended 31 March 2026

| | Note | **2026** £'000 | 2025 £'000 |
|---|---|---|---|
| **Net cash generated from operations** | 25 | **3,136** | 6,199 |
| Tax paid | | **(1,158)** | (687) |
| **Net cash generated from operating activities** | | **1,978** | 5,512 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant, and equipment | 6 | **(109)** | (127) |
| Purchase of intangible assets | 7 | **(531)** | (468) |
| **Net cash used by investing activities** | | **(640)** | (595) |
| **Net cash flow before financing activities** | | **1,338** | 4,917 |
| **Cash flows from financing activities** | | | |
| Interest received | | **63** | 61 |
| Interest paid | | **(36)** | (26) |
| Property lease liability payments | | **(592)** | (732) |
| Dividends paid to shareholders | 24 | **(1,396)** | (634) |
| **Net cash used by financing activities** | | **(1,961)** | (1,331) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(623)** | 3,586 |
| **Cash and cash equivalents at beginning of year** | | **12,871** | 9,610 |
| Exchange gain/(loss) on cash and cash equivalents | | **137** | (325) |
| **Cash and cash equivalents at end of year** | | **12,385** | 12,871 |

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:

| | **2026** **£'000** | 2025 £'000 |
|---|---|---|
| Net cash flow before financing activities | **1,338** | **4,917** |
| Net cash flow for property leases | **(628)** | **(758)** |
| **Operating cash flow** | **710** | **4,159** |

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

### Consolidated Movements in Net Cash and Financing Activities

| | Cash and cash equivalents £'000 | Lease liabilities £'000 | **Total £'000** |
|---|---|---|---|
| **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** |
| **At 1 April 2025** | 12,871 | (526) | **12,345** |
| Cash flows | (623) | 628 | **5** |
| Non-cash charges: | | | |
| - Interest on lease liabilities | - | (36) | **(36)** |
| - New lease liabilities | - | (1,257) | **(1,257)** |
| - Disposal of lease liabilities | - | 198 | **198** |
| - Exchange and other non-cash movements | 137 | (1) | **136** |
| **At 31 March 2026** | 12,385 | (994) | **11,391** |

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 31 March 2026

| | Note | Share capital £'000 | Share premium account £'000 | Merger reserve £'000 | Foreign currency translation reserve £'000 | Retained earnings £'000 | **Total £'000** |
|---|---|---|---|---|---|---|---|
| **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** |
| **Profit for the financial year** | | - | - | - | - | 1,314 | **1,314** |
| Other comprehensive income: | | | | | | | |
| - currency translation differences | | - | - | - | 265 | - | **265** |
| **Total comprehensive income** | | - | - | - | 265 | 1,314 | **1,579** |
| Transactions with owners: | | | | | | | |
| Employee share options: | | | | | | | |
| - value of employee services | 10 | - | - | - | - | 107 | **107** |
| - deferred tax credited to equity | | - | - | - | - | 12 | **12** |
| Dividends paid | | - | - | - | - | (1,396) | **(1,396)** |
| **At 31 March 2026** | | 132 | 1,601 | 477 | 361 | 11,834 | **14,405** |

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

## 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 £12.4m and net assets at £14.4m (31 March 2025: £12.9m and £14.1m 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 2027 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 2025.

**Standards, amendments and interpretations in issue but not yet effective**

The Group adopted the following new pronouncements during the year ended 31 March 2026, which did 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)

The following standards and amendments, issued before 31 March 2026 with an effective date on or after 1 April 2026, have not been early adopted by the Group, they do not have a material impact on the Group's financial statements:

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

## 4 Principal accounting policies continued

- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for periods commencing on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective for periods commencing on or after 1 January 2026)
- The following standard, issued before 31 March 2026 with an effective date on or after 1 April 2026, has not been early adopted by the Group, and has 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 2026.

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.

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.

**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 2026 or 2025.

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.

## 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.

### 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.

## 4 Principal accounting policies continued

### 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.

### 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
In the year ended 31 March 2026, Other operating income relates to Research and Development Expenditure Credits ("RDEC") received from HM Revenue & Customs. The Group accounts for RDEC in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. RDEC is treated as a government grant, as it represents financial assistance received from a government body in return for past or future compliance with certain conditions relating to the Group's qualifying research and development activities.

RDEC income is recognised in the income statement when there is reasonable assurance that:
- the Group will comply with the conditions attached to the credit; and
- the credit will be received.

RDEC is presented as other income within the income statement, separately from the research and development expenditure to which it relates. This presentation reflects the nature of RDEC as a government grant rather than as a direct reduction in research and development costs.

To the extent that RDEC has been recognised as income but has not yet been received in cash, a receivable is recognised within current assets in the statement of financial position. This receivable is measured at the amount expected to be received from HMRC and is not discounted where the credit is expected to be received within twelve months of the reporting date.

In the year ended 31 March 2025, Other operating income related to amounts received under a co-existence agreement with System1 LLC ("LLC"), since renamed System1 Inc., an omnichannel customer acquisition marketing provider. 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 LLC 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 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.

## 4 Principal accounting policies continued

**Provisions**

Provisions for dilapidations are recognised when:

a) 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 dilapidations is measured at the present value of expenditures expected to be required to settle those obligations.

**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.

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.

**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.

## 4 Principal accounting policies continued

### 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 2026 (31 March 2025: £nil). Details are contained in note 7.

#### Share-based payments – judgement and estimate

The Company operates two Option Schemes as at 31 March 2026. The fair value of options granted is determined either using a Black Scholes based Employee Stock Option Valuation model (for option schemes with no market conditions and only service or other simple metrics) and a Monte Carlo simulation model (for option schemes with market conditions and/or greater complexity of performance conditions). These models require several estimates and assumptions which are set out below for each scheme.

## 4 **Principal accounting policies** continued

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory (the 2024 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 fair value of the options granted has been determined using a Black Scholes based Employee Stock Option Valuation model and the key inputs 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.

On 13 May 2025, the Group established the 2025 Long Term Incentive Plan ("2025 LTIP"). The 2025 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 the assessment of the probability of the market condition (share price target) being achieved are share price at date of grant and expected volatility of the share price. Volatility is measured at the standard deviation of expected share price returns based on statistical analysis of historical share prices. The key inputs into the assessment of the probability of the non-market conditions (revenue and profit after tax targets) being achieved are management forecasts over the vesting period.

All options previously granted under the 2021 LTIP lapsed upon publication of the FY2025 financial statements, and as the non-market performance conditions had not been satisfied within the specified time-period, all accumulated charges in respect of the 2021 LTIP were released in full to the income statement in the year ended 31 March 2025 (a credit of £126,000).

Details of the key inputs detailed above are given in note 10.

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. Despite the occasional repurchase of these equity interests in the past, 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. 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.

### 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.

## 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.

| | **2026** | 2025 |
|---|---|---|
| | Revenue £'000 | Revenue £'000 |
| **By location of customer** | | |
| USA | **13,002** | 12,829 |
| LatAm | **1,990** | 2,577 |
| United Kingdom | **16,548** | 16,217 |
| Rest of Europe | **3,556** | 3,964 |
| APAC | **1,855** | 1,839 |
| | **36,951** | 37,426 |

*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.

| | **2026** | 2025 |
|---|---|---|
| | Revenue £'000 | Revenue £'000 |
| **By product type** | | |
| Predict Your (data) | **29,929** | 28,116 |
| Improve Your (data-led consultancy) | **5,605** | 6,441 |
| **Standard (platform) revenue** | **35,534** | 34,557 |
| Other consultancy (non-platform) | **1,417** | 2,869 |
| **Total revenue** | **36,951** | 37,426 |
| **By product group** | | |
| Ad Testing | **30,933** | 31,482 |
| Brand (Brand Tracking) | **2,600** | 3,069 |
| Innovation | **3,418** | 2,875 |
| | **36,951** | 37,426 |

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:

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| **Non-Current Assets** | | |
| United Kingdom | **1,930** | 1,697 |
| Rest of world | **193** | 195 |
| | **2,123** | 1,892 |

## 6 Property, plant and equipment

| | Right-of-use assets £'000 | Furniture and fixtures £'000 | Computer hardware £'000 | Total £'000 |
|---|---|---|---|---|
| **Cost at 1 April 2024** | 172 | - | 303 | 475 |
| Additions | 955 | - | 127 | 1,082 |
| Disposals | (102) | - | - | (102) |
| Foreign exchange | (27) | - | (1) | (28) |
| **Cost at 31 March 2025** | 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** |
| **Cost at 1 April 2025** | **998** | **-** | **429** | **1,427** |
| Additions | **1,257** | **3** | **106** | **1,366** |
| Disposals | **(990)** | **-** | **(262)** | **(1,252)** |
| Foreign exchange | **8** | **-** | **3** | **11** |
| **Cost at 31 March 2026** | **1,273** | **3** | **276** | **1,552** |
| **Depreciation at 1 April 2025** | **482** | **-** | **307** | **789** |
| Depreciation charge for the year | **647** | **-** | **69** | **716** |
| Disposals | **(793)** | **-** | **(257)** | **(1,050)** |
| Foreign exchange | **(9)** | **-** | **2** | **(7)** |
| **Depreciation at 31 March 2026** | **327** | **-** | **121** | **448** |
| **Carrying amount 31 March 2026** | **946** | **3** | **155** | **1,104** |

Depreciation charges are included within administrative expenses.

## 7 Intangible assets

| | Development costs £'000 | Software £'000 | Total £'000 |
|---|---|---|---|
| **Cost at 1 April 2024** | 1,961 | 525 | 2,486 |
| Additions | 468 | - | 468 |
| **Cost at 31 March 2025** | 2,429 | 525 | 2,954 |
| **Amortisation at 1 April 2024** | 524 | 384 | 908 |
| Amortisation for the year | 653 | 139 | 792 |
| **Amortisation at 31 March 2025** | 1,177 | 523 | 1,700 |
| **Carrying value at 31 March 2025** | **1,252** | **2** | **1,254** |
| **Cost at 1 April 2025** | **2,429** | **525** | **2,954** |
| Additions | **531** | **-** | **531** |
| **Cost at 31 March 2026** | **2,960** | **525** | **3,485** |
| **Amortisation at 1 April 2025** | **1,177** | **523** | **1,700** |
| Amortisation for the year | **766** | **-** | **766** |
| **Amortisation at 31 March 2026** | **1,943** | **523** | **2,466** |
| **Carrying value at 31 March 2026** | **1,017** | **2** | **1,019** |

Amortisation charges are included within administrative expenses.

## 7 Intangible assets continued

The only software cost as at 31 March 2026 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 2026 was £nil (2025: £205k)
- Supply Chain Automation platform which enables System1 to interface (via API) with multiple suppliers of panel respondents and was substantially completed at 31 March 2024. The carrying value at 31 March 2026 was £332k (2025: £724k)
- Modular Surveys which facilitates the automation of custom products and was completed in two phases in the year ended 31 March 2025. The carrying value at 31 March 2026 was £120k (2025: £178k)
- Boost, which optimises our methodology for sourcing sample respondents, and was completed in August 2025. The carrying value at 31 March 2026 is £251k (2025: £145k)
- Tag & Search which facilitates AI enabled insights across our database of ads, which completed in July 2025. The carrying value at 31 March 2026 was £87k (2025: £nil)
- TYA Social, bringing our social media ad testing offering onto our platform, completed in December 2025, with a carrying value of £70k (2025: £nil)
- TYA 2.0 and TYI Integration, ongoing at the year end, enabling new product offerings and features across our ad testing and innovation offerings, with a carrying value of £157k (2025: £nil).

Development costs in respect of completed projects are tested for impairment where impairment indicators exist. No indicators exist at 31 March 2026 (31 March 2025: none). Development costs in respect of ongoing projects are tested for impairment at each reporting date. The carrying value of the assets in each case are assigned to their respective cash generating units for the purposes of assessing future cashflows. The principal assumptions used in the forecasts were the timing and amount of future revenues and cost savings, which were derived from the latest forecasts approved by the Board. Discounting is not material to the assessment given the 3 year useful economic life. Sensitivities applied to projected revenue and cost savings indicate that a decrease of 20% would not give rise to an indication of impairment. Following the assessment, the Board have determined that no impairment of assets is required as at 31 March 2026 (31 March 2025: £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.

| | **2026 £'000** | 2025 £'000 |
|---|---|---|
| **Cash and cash equivalents** | | |
| HSBC Bank PLC (AA credit rating) | **9,970** | 10,647 |
| Santander | **693** | 668 |
| Deutsche Bank | **9** | 73 |
| UBS | **163** | 151 |
| Other banks | **1,550** | 1,332 |
| | **12,385** | 12,871 |

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 £120,000 limit of FSCS Protection.

## 8 Financial risk management continued

At 31 March 2026, the Group has cash balances of £40,000 (2025: £38,000) 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 2025 and 2026, the Group did not enter into any forward foreign exchange contracts.

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

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| **Cash and cash equivalents** | | |
| GBP | **3,957** | 4,909 |
| USD | **4,194** | 4,304 |
| EUR | **2,171** | 2,164 |
| CHF | **267** | 366 |
| AUD | **1,094** | 418 |
| SGD | **11** | 128 |
| BRL | **691** | 582 |
| | **12,385** | 12,871 |

### Financial instruments by category

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

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| **Financial assets carried at amortised cost** | | |
| Trade and other receivables (excluding prepayments) | **6,730** | 6,217 |
| Cash and cash equivalents | **12,385** | 12,871 |
| | **19,115** | 19,088 |
| **Other financial liabilities carried at amortised cost** | | |
| **Current liabilities** | | |
| Trade payables | **1,774** | 1,256 |
| Accruals | **2,734** | 4,064 |
| Lease liabilities | **510** | 526 |
| | **5,018** | 5,846 |
| **Non-current liabilities** | | |
| Lease liabilities | **484** | - |
| | **484** | - |

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 2026, the Company has not drawn any amounts under the facility, and no amounts have been drawn to the date of the signing of these financial statements (amounts drawn in the year ended 31 March 2025: £nil).

## 9 Trade and other receivables

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Trade receivables | **6,604** | 5,948 |
| Prepayments and accrued income | **569** | 639 |
| Other receivables | **126** | 235 |
| | **7,299** | 6,822 |

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 2026, trade receivables of £1,364,000 (2025: £1,083,000) 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 2026** | | | | | |
| Gross trade receivables | **5,303** | **1,228** | **98** | **139** | **6,768** |
| Loss provision | **63** | **15** | **18** | **68** | **164** |
| Expected loss rate | **1%** | **1%** | **18%** | **49%** | |
| **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% | |

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

| | **2026** £'000 | 2024 £'005 |
|---|---|---|
| **Provision for impairment of trade receivables** | | |
| Opening balance | **139** | 80 |
| Charged to the income statement | **9** | 64 |
| Utilisations and other movements | **16** | (5) |
| | **164** | 139 |

As of 31 March 2026, no other receivables or contract costs were impaired (2025: £Nil).

## 9 Trade and other receivables continued

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

| | **2026** **£'000** | 2025 £'000 |
|---|---|---|
| United States dollar | **2,382** | 1,998 |
| British sterling | **3,547** | 3,213 |
| Euro | **629** | 776 |
| Brazilian real | **249** | 385 |
| Swiss franc | **213** | 132 |
| Australian dollar | **189** | 162 |
| Singapore dollar | **90** | 156 |
| | **7,299** | 6,822 |

## 10 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 (except for Treasury shares) are equally eligible to receive dividends and the repayment of capital and represent one vote at the Annual General Meeting.

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | 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:

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Treasury shares** No. | **Weighted average exercise price per share** Pence | Treasury shares No. | Weighted average exercise price per share Pence |
| **Shares held by Treasury** | | | | |
| **At 1 April** | **537,700** | | 547,844 | |
| Transfer of shares to satisfy options exercise | **-** | - | (10,144) | - |
| **At 31 March** | **537,700** | | 537,700 | |

### 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 most circumstances if the employee leaves the Group before the options vest, unless otherwise agreed by the Remuneration Committee of the Board.

## 10 Share capital continued

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

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Options** No. | **Weighted average exercise price per share** Pence | Options No. | Weighted average exercise price per share Pence |
| **Share options outstanding** | | | | |
| Opening balance | **1,230,102** | **-** | 1,253,724 | - |
| Granted | **1,320,411** | **-** | 52,148 | - |
| Lapsed | **(1,530,669)** | **-** | (65,626) | - |
| Exercised - | **-** | **-** | (10,144) | - |
| **Closing balance** | **1,019,844** | **-** | 1,230,102 | - |
| **Exercisable at year-end** | | | | 0.0 |
| **Weighted average share price at date of options exercised (pence)** | | **NA** | | 445.0 |
| **Weighted average fair value of options granted in the year (pence)** | | **196.0** | | 313.2 |

The Group had the following outstanding options and exercise prices:

| | **2026** | | | 2025 | | |
|---|---|---|---|---|---|---|
| **Expiry date** | **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 |
| 2024 | - | - | **-** | - | - | - |
| 2025 | **-** | **-** | **-** | 46,995 | - | 4.0 |
| 2027 | **-** | **-** | **-** | 1,153,004 | - | 23.7 |
| 2028 | **-** | **-** | **-** | - | - | - |
| 2029 | **30,103** | **-** | **38.9** | 30,103 | - | 50.9 |
| 2032 | **989,741** | **-** | **46.1** | - | - | - |
| | **1,019,844** | **-** | **45.9** | 1,230,102 | - | 23.6 |

### Long term incentive scheme

On 13 May 2025, the Company established the 2025 LTIP. The 2025 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 2025 LTIP options vest annually between 31 July 2027 and 31 July 2029. Vested options must be exercised within six months of the relevant vesting date, with the final exercise period ending on 31 January 2030.

The key inputs into the fair value measurement of the 1,320,411 options granted during the year ended 31 March 2026 are as follows (of these, 330,670 lapsed during the year):

- Expected Life: 4 years and 2.4 months
- Exercise price: £Nil
- Share price at date of grant: £4.30
- Expected volatility: 55.76%
- Risk free rate: 4.05%
- Dividend yield: 2.32%

## 10 Share capital continued

At 31 March 2026, the number of outstanding options granted under the 2025 LTIP was 989,741 or 7.8% of issued ordinary share capital of maximum capacity of 10%. All options issued under the previous 2021 LTIP lapsed, unvested, on publication of the 2025 financial statements.

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 2026 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%

### Share-based payment charge

The total charge relating to equity-settled share-based payment plans was £107,000 with an associated charge of £14,000 for social security. In the year ended 31 March 2025, a net credit of £64,000 was recognised as a consequence of management's assessment that the probability of non-market performance conditions attached to the 2021 LTIP being fulfilled was negligible (gross credit of £126,000) and the charges associated with the Executive Option Scheme. The associated credit for social security was £21,000.

## 11 Provisions

| | Leasehold dilapidations £'000 | Total £'000 |
|---|---|---|
| **At 1 April 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** | **-** | **-** |
| Provided in the year | 27 | 27 |
| Utilised in the year | (6) | (6) |
| **At 31 March 2026** | 21 | 21 |
| Due within one year | 21 | 21 |
| Due after one year | - | - |

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

## 12 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is considered less than probable or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

The Group faces a small number of legal claims from former employees and/or individuals formerly connected to the Group. Proceedings are ongoing and the Group will continue to rigorously defend the claims. Where costs are likely to be incurred and can be measured reliably, they are provided for in the financial statements. Whilst certain legal claims specify the damages claimed, such claimed amounts may form part of the dispute and do not necessarily reflect the Group's potential financial exposure in respect of those matters and no separate estimate of that exposure has been disclosed. In accordance with IAS 37.92, this information has been omitted on the grounds that its disclosure could be expected to seriously prejudice the Group's position in these disputes.

## 13 Trade and other payables

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Trade payables | **1,774** | 1,256 |
| Social security and other taxes | **774** | 634 |
| Accruals | **2,734** | 4,064 |
| | **5,282** | 5,954 |

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 30-60 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

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| **Contract liabilities** | **1,122** | 758 |

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 £579,000 relating to contract liabilities recognised at 1 April 2025 (2025: £1,072,000). 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:

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Within one year | **549** | **535** |
| Later than 1 but no later than 5 years | **498** | - |
| More than 5 years | **-** | - |
| Total contractual undiscounted cashflows | **1,047** | 535 |
| Impact of discounting | **(53)** | (9) |
| Total lease liabilities | **994** | 526 |

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

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Within one year | **510** | 526 |
| Later than 1 but no later than 5 years | **484** | - |
| More than 5 years | **-** | - |
| | **994** | 526 |

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 8.

## 16 Expenses by nature

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Employee benefit expense* | **19,634** | 18,514 |
| Other research and development costs | **2,067** | 1,306 |
| Capitalised development costs – gross of amortisation | **(531)** | (468) |
| Depreciation, amortisation, and impairment | **1,482** | 1,376 |
| Loss on disposal of fixed assets | **4** | 9 |
| Net foreign exchange (gains)/losses | **60** | 337 |
| Lease expense related to short term leases | **29** | 92 |
| Third party direct costs (sample, translation, data processing) | **4,685** | 4,565 |
| Indirect delivery costs | **949** | 959 |
| Other expenses | **6,696** | 5,850 |
| | **35,075** | 32,540 |
| *Analysed as:* | | |
| Cost of sales | **4,685** | 4,565 |
| Administrative expenses | **30,390** | 27,975 |
| | **35,075** | 32,540 |

*Included within employee benefit expense is £2,408,000 of costs related to staff involved in research and development activities (2025: £1,881,000) which has not been capitalised under IAS 38.

## 17 Other income

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Other income | **235** | 381 |
| | **235** | 381 |

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

## 18 Auditor remuneration

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Audit of parent company and consolidated accounts | **130** | 126 |
| Audit-related assurance services | **10** | 10 |
| | **140** | 136 |

## 19 Employee benefit expense

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Employee benefit expenses (including directors) comprise: | | |
| Wages and salaries – fixed basic pay | **14,649** | 12,467 |
| Commissions and bonuses | **968** | 2,703 |
| Social security contributions and similar taxes | **1,983** | 1,678 |
| Social security contributions on commissions and bonuses | **125** | 436 |
| Defined contribution pension cost | **632** | 524 |
| Long service leave cost – sabbatical provision | **-** | - |
| Share-based payment expense | **121** | (85) |
| Compensation for loss of office | **472** | 223 |
| Medical benefits | **684** | 568 |
| | **19,634** | 18,514 |

*Inclusive of associated social security charges/(credits)

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, including the 3 (2025: 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:

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| Salaries and benefits in kind | **875** | 883 |
| Bonus | **-** | 584 |
| Social security contributions | **118** | 203 |
| Compensation for loss of office | **42** | - |
| Defined contribution pension cost | **25** | 30 |
| Share-based payment (credit)/expense | **93** | 62 |
| | **1,153** | 1,762 |

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

| | 2026 No. | 2025 No. |
|---|---|---|
| Sales and marketing | **74** | 59 |
| Operations | **56** | 52 |
| IT | **33** | 30 |
| Administration | **28** | 26 |
| | **191** | 167 |

## 20 Finance charges

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Interest on finance lease receivables | **-** | 1 |
| Interest on bank deposits | **63** | 61 |
| **Finance income** | **63** | 62 |

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Interest on lease liabilities | **(36)** | (26) |
| | **(36)** | (26) |
| **Net finance income/(expense)** | **27** | 36 |

## 21 Income tax expense

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Current tax | **845** | 860 |
| Deferred tax | **(21)** | (30) |
| | **824** | 830 |

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

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Profit on ordinary activities before taxation | **2,138** | 5,303 |
| Profit on ordinary activities multiplied by standard UK tax rate | **535** | 1,326 |
| Difference between tax rates applied to Group's subsidiaries | **114** | 110 |
| Net expenses not deductible for tax purposes | **23** | 409 |
| Adjustments to trading losses and brought forward values | **(103)** | (313) |
| R&D claims surrendered for loss relief | **-** | (754) |
| Remeasurement of deferred tax for change in tax rates | **(5)** | 5 |
| Tax on intra-group management charges (Brazil) | **165** | 222 |
| Adjustment to current tax in respect of prior years | **16** | (30) |
| Adjustments to foreign and withholding tax | **(13)** | (81) |
| Adjustments to deferred tax in respect of prior and current years | **92** | (64) |
| | **824** | 830 |

The standard tax rate for the year ended 31 March 2026 was 25% (31 March 2025: 25%).

The tax charge for the year ended 31 March 2025 includes claims in respect of R&D expenditure for the years 2023 and 2024 which have been surrendered for tax losses of £0.75m that have been group relieved in the period. Excluding these R&D tax losses, the effective tax rate for the Group in FY25 would have been in the region of 30%. The Group submitted an R&D claim for FY25 in FY26 for an amount of £0.2m. In line with legislative changes to the UK R&D regime effective from 1 April 2024, the amounts received has been reflected in pre-tax earnings in Other Operating Income and are subject to corporation tax. We anticipate that the effective tax rate for FY27 will be lower than that in FY26.

## 22 Deferred tax

Deferred tax assets and liabilities are as follows.

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Deferred tax assets: | | |
| - deferred tax assets to be recovered after more than 12 months | **91** | 81 |
| - deferred tax assets to be recovered within 12 months | **300** | 271 |
| | **391** | 352 |
| Deferred tax liabilities: | | |
| - deferred tax liability to be incurred within 12 months | **(168)** | (158) |
| Deferred tax asset (net): | **223** | 194 |

The gross movement in deferred tax is as follows.

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Opening balance | **194** | 151 |
| Income statement credit | **21** | 30 |
| Foreign exchange movements | **(4)** | (2) |
| Tax credited directly to equity | **12** | 15 |
| Closing balance | **223** | 194 |

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 2025** | 288 | 46 | - | 18 | - | 352 |
| Credited/(charged) to income statement | 16 | (21) | 2 | 30 | - | 27 |
| Credited to equity | - | 12 | - | - | - | 12 |
| **At 31 March 2026** | **304** | **37** | **2** | **48** | **-** | **391** |

**Deferred tax liabilities**

| | Accelerated capital allowances £'000 |
|---|---|
| **At 1 April 2025** | (158) |
| Charged to income statement | (10) |
| **At 31 March 2026** | **(168)** |

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

| | 2026 | 2025 |
|---|---|---|
| **Profit attributable to equity holders of the company, in £'000** | **1,314** | 4,473 |
| Weighted average number of Ordinary Shares in issue | **12,689,073** | 12,687,461 |
| **Basic earnings per share** | **10.4p** | 35.3p |
| **Profit attributable to equity holders of the Company, in £'000** | **1,314** | 4,473 |
| Weighted average number of Ordinary Shares in issue | **12,689,073** | 12,687,461 |
| Share options | **30,103** | 30,103 |
| Weighted average number of Ordinary Shares for diluted earnings per share | **12,719,176** | 12,717,564 |
| **Diluted earnings per share** | **10.3p** | 35.2p |

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 1.0 million (2025: 1.2 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 2026 and 31 March 2025. The total number of options in issue is disclosed in Note 10.

## 24 Dividends

The Company proposes to pay an ordinary dividend of 6.0p per share for FY26, which will be put to the Group's annual general meeting on 25 September 2026.

The Company paid a final ordinary dividend of 5.5p per share and an additional special dividend of 5.5p per share for the year ended 31 March 2025 on 17 October 2025 (ex-dividend date 25 September 2025).

Dividends paid to directors in the year ended 31 March 2026 totalled £331,985 (31 March 2025: £145,659).

## 25 Net cash generated from operations

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| **Profit before taxation** | **2,138** | 5,302 |
| Depreciation and impairment of property, plant, and equipment | **716** | 584 |
| Amortisation and impairment of intangible assets | **766** | 791 |
| Loss on disposal of right-of-use assets | **4** | 9 |
| Interest received | **(63)** | (61) |
| Interest paid | **36** | 26 |
| Share-based payment charge/(credit) | **107** | (64) |
| Decrease/(increase) in contract assets | **80** | (25) |
| Decrease in finance lease receivables | **-** | 85 |
| (Increase)/decrease in trade and other receivables | **(476)** | 440 |
| Decrease in trade and other payables | **(671)** | (607) |
| Increase/(decrease) in contract liabilities | **364** | (378) |
| Increase/(decrease) in contract liabilities in provisions | **21** | (4) |
| Exchange differences on operating items | **114** | 101 |
| | **3,136** | 6,199 |

## 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 |
|---|---|---|---|
| **2026** | | | |
| System1 Group PLC | **8,103** | **3,496** | **2,191** |
| System1 Research Limited | **(4,103)** | **(1,655)** | **335** |
| System1 Research, Inc. | **(3,224)** | **(1,300)** | **(3,107)** |
| System1 Research B.V. | **(327)** | **(54)** | **514** |
| System1 Research Sarl | **(208)** | **(84)** | **(197)** |
| System1 Research GmbH | **(132)** | **(130)** | **(79)** |
| System1 Research Do Brazil Servicos de Marketing Ltda. | **570** | **-** | **521** |
| System1 Research France Sarl | **(218)** | **(88)** | **401** |
| System1 Market Research Pte Ltd | **72** | **(42)** | **(934)** |
| System1 Research Pty Ltd. | **(533)** | **(144)** | **302** |
| System1 Agency Limited | **-** | **-** | **53** |
| **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 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 |

During the year, purchases of £74,833 (2025: £80,539) 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 £nil was owed (2025: £8,400). Of the purchases made, £nil was capitalised within development costs in the year ended 31 March 2026 (2025: £nil). Purchases of £nil (2025: £2,250) were made from Messier Holdings Limited, a related party by virtue of the common directorship of Rupert Howell. At the year end, an amount of £nil was owed (2025: £nil). Lewis Robinson is the managing director of Crucible Clarity Fund, which holds 7.1% of the Company's shares. Lewis Robinson indirectly owns c.2.5% of Crucible Clarity Fund Plc.

## 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.

# Company Balance Sheet

as at 31 March 2026

REGISTERED COMPANY NO. 05940040

| | Note | **2026** £'000 | 2025 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | 2 | **1,019** | 1,254 |
| Tangible assets | 3 | **911** | 444 |
| Investments in subsidiaries | 4 | **581** | 581 |
| | | **2,511** | 2,279 |
| **Current assets** | | | |
| Debtors due within one year | 5 | **10,495** | 5,828 |
| Cash and cash equivalents | | **2,168** | 2,220 |
| | | **12,663** | 8,048 |
| **Creditors: amounts due within one year** | 6 | **9,988** | 7,773 |
| **Net current assets** | | **2,675** | 275 |
| **Total assets less current liabilities** | | **5,186** | 2,554 |
| **Creditors: amounts due after one year** | 6 | **425** | - |
| **Provisions for liabilities** | 7 | **124** | 105 |
| **Net assets** | | **4,637** | 2,449 |
| **Capital and reserves** | | | |
| Share capital | 10 | **132** | 132 |
| Share premium account | 1 | **1,601** | 1,601 |
| Retained earnings | 1 | **2,904** | 716 |
| **Shareholders' funds** | | **4,637** | 2,449 |

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 profit after tax was £3,465,000 (2025: loss of £1,244,000). The notes on pages 93 to 102 are an integral part of these company financial statements.

These financial statements were approved by the directors on 7 July 2026 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 2026

| | Share capital £'000 | Share account £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|
| **At 1 April 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** |
| **Profit for the financial period and total comprehensive income attributable to the equity holders** | - | - | 3,465 | **3,465** |
| Transactions with owners: | | | | |
| Employee share options scheme: | | | | |
| - value of employee services | - | - | 107 | **107** |
| - deferred tax credited to equity | - | - | 12 | **12** |
| Dividends paid to owners | - | - | (1,396) | **(1,396)** |
| | - | - | (1,277) | **(1,277)** |
| **At 31 March 2026** | 132 | 1,601 | 2,904 | **4,637** |

The notes on pages 93 to 102 are an integral part of these company financial statements.

## 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 2026. 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 £3.9m were expensed in the year to 31 March 2026 (31 March 2025: £2.7m). 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 2026 or 31 March 2025.

### 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 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 2026 (31 March 2025: £nil). 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

The Company operates two Option Schemes at 31 March 2026. The fair value of options granted is determined either using a Black Scholes based Employee Stock Option Valuation model (for option schemes with no market conditions and only service or other simple metrics) and a Monte Carlo simulation model (for option schemes with market conditions and/or greater complexity of performance conditions). These models require several estimates and assumptions which are set out below for each scheme.

## 1 **Accounting policies** continued

On 18 July 2024, the Committee granted 30,103 nil-costs share options to James Gregory (the 2024 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 fair value of the options granted has been determined using a Black Scholes based Employee Stock Option Valuation model and the key inputs 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.

On 13 May 2025, the Group established the 2025 Long Term Incentive Plan ("2025 LTIP"). The 2025 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 the assessment of the probability of the market condition (share price target) being achieved are share price at date of grant and expected volatility of the share price. Volatility is measured at the standard deviation of expected share price returns based on statistical analysis of historical share prices. The key inputs into the assessment of the probability of the non-market conditions (revenue and profit after tax targets) being achieved are management forecasts over the vesting period.

All options previously granted under the 2021 LTIP lapsed upon publication of the FY2025 financial statements, and as the non-market performance conditions had not been satisfied within the specified time-period, all accumulated charges in respect of the 2021 LTIP were released in full to the income statement in the year ended 31 March 2025 (a credit of £126,000).

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. Despite the occasional repurchase of these equity interests in the past, 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. 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.

### 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 2024** | 1,961 | 525 | 2,486 |
| Additions | 468 | - | 468 |
| **Cost at 31 March 2025** | 2,429 | 525 | 2,954 |
| **Amortisation at 1 April 2024** | 524 | 384 | 908 |
| Amortisation for the year | 653 | 139 | 792 |
| **Amortisation at 31 March 2025** | 1,177 | 523 | 1,700 |
| **Carrying value at 31 March 2025** | **1,252** | **2** | **1,254** |
| **Cost at 1 April 2025** | **2,429** | **525** | **2,954** |
| Additions | **531** | **-** | **531** |
| **Cost at 31 March 2026** | **2,960** | **525** | **3,485** |
| **Amortisation at 1 April 2025** | **1,177** | **523** | **1,700** |
| Amortisation for the year | **766** | **-** | **766** |
| **Amortisation at 31 March 2026** | **1,943** | **523** | **2,466** |
| **Carrying value at 31 March 2026** | **1,017** | **2** | **1,019** |

Amortisation charges are included within administrative expenses.

The only software cost as at 31 March 2026 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 2026 was £nil (2025: £205k)
- Supply Chain Automation platform which enables System1 to interface (via API) with multiple suppliers of panel respondents and was substantially completed at 31 March 2024. The carrying value at 31 March 2026 was £332k (2025: £724k)
- Modular Surveys which facilitates the automation of custom products and was completed in two phases in the year ended 31 March 2025. The carrying value at 31 March 2026 was £120k (2025: £178k)
- Boost, which optimises our methodology for sourcing sample respondents, and was completed in August 2025. The carrying value at 31 March 2026 is £251k (2025: £145k)
- Tag & Search which facilitates AI enabled insights across our database of ads, which completed in July 2025. The carrying value at 31 March 2026 was £87k (2025: £nil)
- TYA Social, bringing our social media ad testing offering onto our platform, completed in December 2025, with a carrying value of £70k (2025: £nil)
- TYA 2.0 and TYI Integration, ongoing at the year end, enabling new product offerings and features across our ad testing and innovation offerings, with a carrying value of £157k (2025: £nil).

Development costs in respect of completed projects are tested for impairment where impairment indicators exist. No indicators exist at 31 March 2026 (31 March 2025: none). Development costs in respect of ongoing projects are tested for impairment at each reporting date. The carrying value of the assets in each case are assigned to their respective cash generating units for the purposes of assessing future cashflows. The principal assumptions used in the forecasts were the timing and amount of future revenues and cost savings, which were derived from the latest forecasts approved by the Board. Following the assessment, the Board have determined that no impairment of assets is required as at 31 March 2026 (31 March 2025: £nil). The headroom in the impairment review exceeds the carrying value of the asset.

## 3 Tangible assets

| | Right-of-use assets £'000 | Computer hardware £'000 | Total £'000 |
|---|---|---|---|
| **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 |
| **Cost at 1 April 2025** | **681** | **384** | **1,065** |
| Additions | **1,006** | **90** | **1,096** |
| Disposals | **(681)** | **(248)** | **(929)** |
| **Cost at 31 March 2026** | **1,006** | **226** | **1,232** |
| **Depreciation at 1 April 2025** | **340** | **281** | **621** |
| Depreciation charge for the year | **370** | **56** | **426** |
| Depreciation on disposals | **(483)** | **(243)** | **(726)** |
| **Depreciation at 31 March 2026** | **227** | **94** | **321** |
| **Carrying amount 31 March 2026** | **779** | **132** | **911** |

## 4 Investments

| | £'000 |
|---|---|
| Cost and net book amount at 1 April 2025 and 31 March 2026 | 581 |

### Subsidiary undertakings

Details of subsidiary undertakings, registered office and country of incorporation of each, at 31 March 2026 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 Ad Ratings 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 Ad Ratings Limited, which are dormant.

## 5 Debtors

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| **Due within one year** | | |
| Trade debtors from group companies | **9,684** | 5,061 |
| Amounts due from group companies | **114** | 20 |
| Other debtors | **-** | 6 |
| VAT recoverable | **288** | 253 |
| Prepayments | **409** | 488 |
| | **10,495** | 5,828 |

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. Trade debtors due from group companies are not interest bearing, other amounts due from group companies are subject to interest at SONIA + 2%. Both are repayable on demand.

The Company is part of a VAT group with its wholly owned subsidiary, System1 Research Limited. As at 31 March 2026, System1 Research Limited had a VAT liability of £664,000, therefore the net exposure of the two entities is £376,000 (2025: creditor of £172,000).

## 6 Creditors

| | 2026 £'000 | 2025 £'000 |
|---|---|---|
| **Due within one year** | | |
| Trade creditors | **832** | 642 |
| Social security and other taxes | **202** | 190 |
| Amounts due to group companies | **7,607** | 4,758 |
| Lease liabilities | **393** | 344 |
| Accruals | **954** | 1,839 |
| | **9,988** | 7,773 |
| **Due after one year** | | |
| Lease liabilities | **425** | - |
| | **425** | - |

Trade creditors due to group companies are not interest bearing, other amounts due to group companies are subject to interest at LIBOR + 2%. Both are repayable on demand.

## 7 Provisions for liabilities

| | Deferred tax £'000 | Leasehold dilapidations £'000 | Total £'000 |
|---|---|---|---|
| **At 1 April 2024** | 38 | 2 | 40 |
| Provided in the year | 67 | - | 67 |
| Utilised in the year | - | (2) | (2) |
| Reversal of unused amounts | - | - | - |
| **At 31 March 2025** | 105 | - | 105 |
| Provided in the year | 9 | 16 | 25 |
| Utilised in the year | - | (6) | (6) |
| **At 31 March 2026** | **114** | **10** | **124** |
| Due within one year | 128 | 10 | 138 |
| Due after one year | (14) | - | (14) |
| | 114 | 10 | 124 |

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

## 8 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is considered less than probable or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

The Group faces a small number of legal claims from former employees and/or individuals formerly connected to the Group. Proceedings are ongoing and the Group will continue to rigorously defend the claims. Where costs are likely to be incurred and can be measured reliably, they are provided for in the financial statements. Whilst certain legal claims specify the damages claimed, such claimed amounts may form part of the dispute and do not necessarily reflect the Group's potential financial exposure in respect of those matters and no separate estimate of that exposure has been disclosed. In accordance with IAS 37.92, this information has been omitted on the grounds that its disclosure could be expected to seriously prejudice the Group's position in these disputes.

## 9 Deferred tax

Deferred tax assets and liabilities are as follows.

| | **2026** £'000 | 2025 £'000 |
|---|---|---|
| Deferred tax assets: | | |
| - deferred tax assets to be recovered after more than 12 months | **14** | 7 |
| - deferred tax assets to be recovered within 12 months | **37** | 46 |
| | **51** | 53 |
| Deferred tax liabilities: | | |
| - deferred tax liability to be recovered within 12 months | **(165)** | (158) |
| **Deferred tax (liability)/asset (net):** | **(114)** | (105) |

## 9 Deferred tax continued

The gross movement in deferred tax is as follows.

| | **2026 £'000** | 2025 £'000 |
|---|---|---|
| **Opening balance** | **(105)** | (38) |
| Income statement charge | **(21)** | (82) |
| Tax credited directly to equity | **12** | 15 |
| **Closing balance** | **(114)** | (105) |

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 2025** | 7 | 46 | 53 |
| (Charged)/credited to income statement | 7 | (21) | (14) |
| Tax credited directly to equity | - | 12 | 12 |
| **At 31 March 2026** | **14** | **37** | **51** |

**Deferred tax liabilities**

| | Accelerated capital allowances £'000 |
|---|---|
| At 1 April 2025 | (158) |
| Credited to income statement | (7) |
| **At 31 March 2026** | **(165)** |

## 10 Share capital

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | 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 (2025: 537,700).

## 11 Employee Benefits

The average number of staff employed by the Company during the year ended 31 March 2026 was 74 (2025: 69) and total employment costs were £8,007,000 (2025: £8,183,000).

## 12 Related party transactions

During the year, purchases of £74,833 (2025: £80,539) 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 £nil was owed (2025: £8,400). Of the purchases made, £nil was capitalised within development costs in the year ended 31 March 2026 (2025: £nil). Purchases of £nil (2025: £2,250) were made from Messier Holdings Limited, a related party by virtue of the common directorship of Rupert Howell. At the year end, an amount of £nil was owed (2025: £nil). Lewis Robinson is the managing director of Crucible Clarity Fund, which holds 7.1% of the Company's shares. Lewis Robinson indirectly owns c.2.5% of Crucible Clarity Fund Plc.

# Company Information

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