

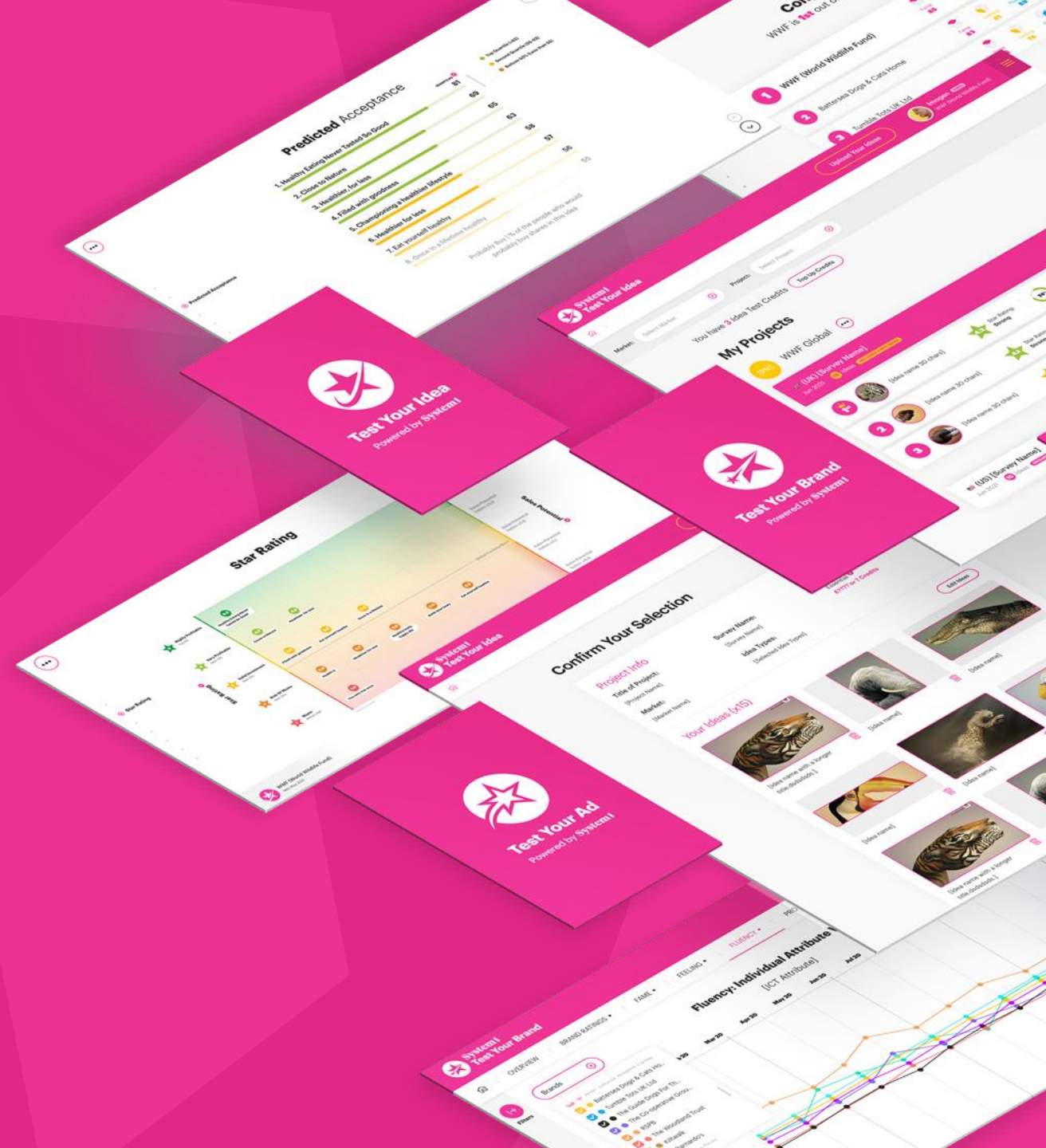
System1

Canaccord 44th Annual Growth Conference

13 August 2024



Canaccord Genuity



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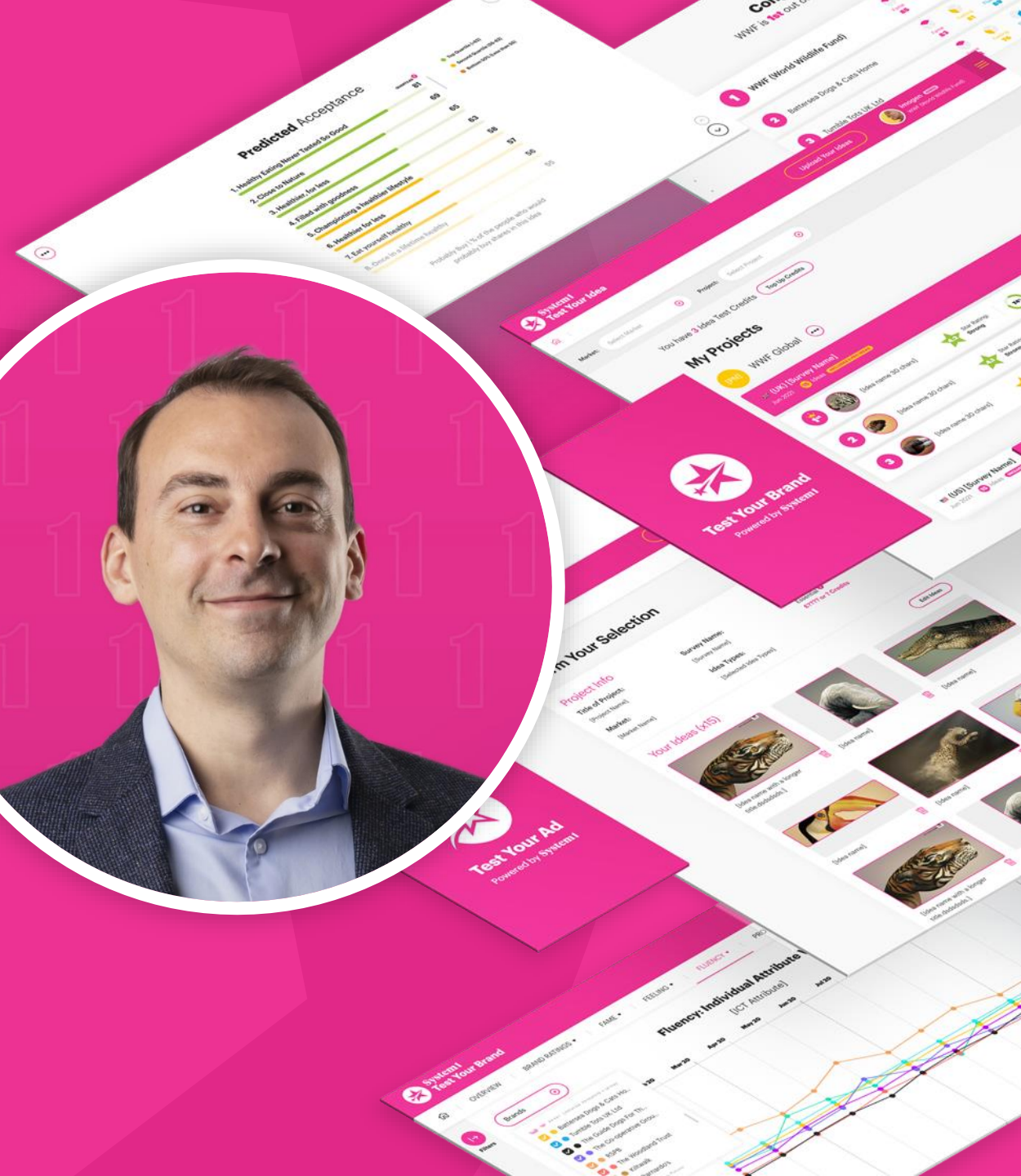
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James Gregory

Chief Executive Officer

System1





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

System1





51%

of advertising has no
long-term impact on
market share growth

95%

of new product
launches fail

System1

predicts and improves marketing effectiveness ...



WHO

We are a marketing
decision-making platform

WHAT

We predict and improve
marketing effectiveness

... through our **'predict your'** and **'improve your'** offering ...

Data



(Predict Your)

**Data-Led
Consultancy**

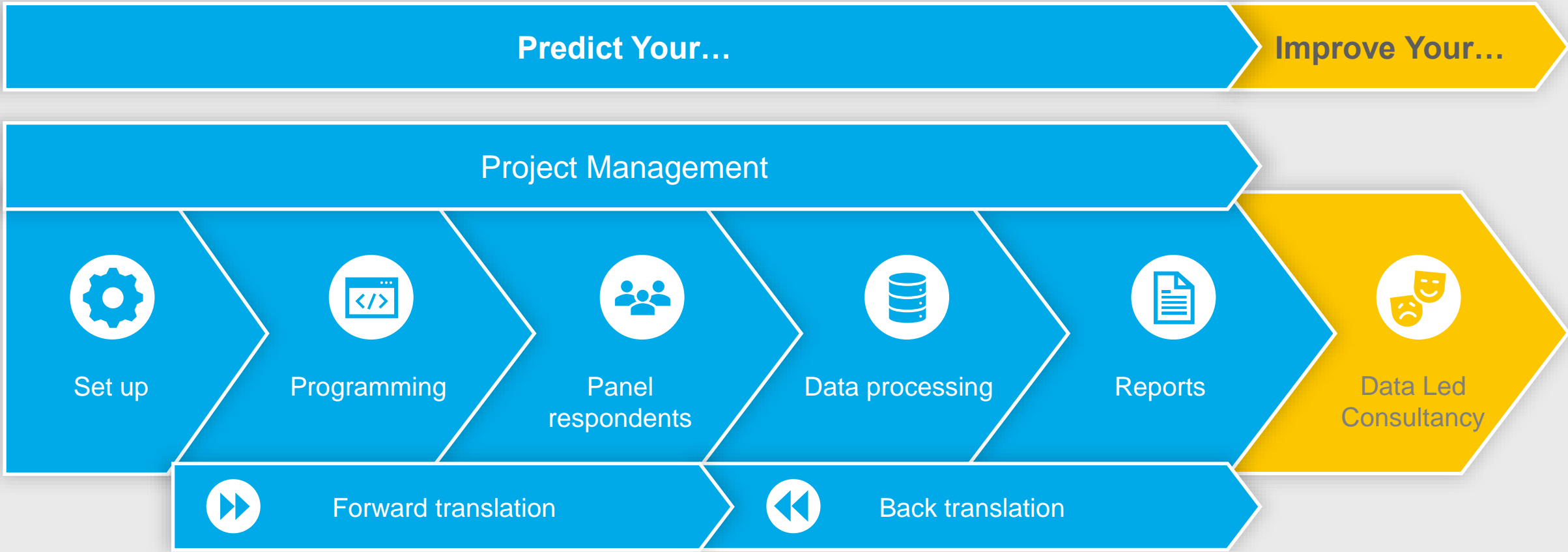


(Improve Your)

**Bespoke
Consultancy**

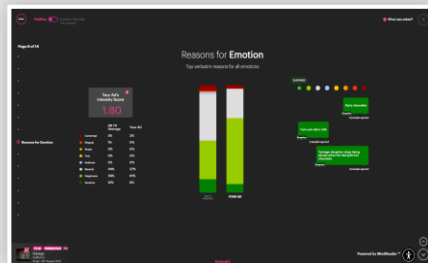
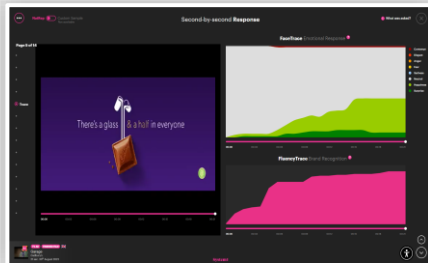
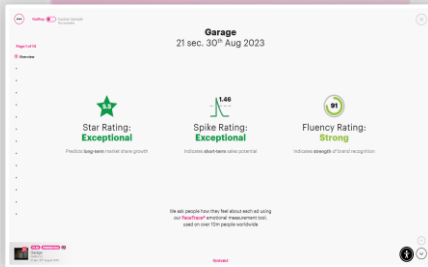


... **our predictions** (and some improvements) are delivered through an **automated platform** ...

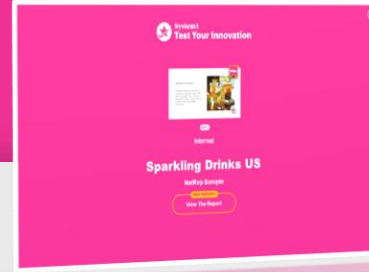


... with results provided to customers on a self-serve platform ...

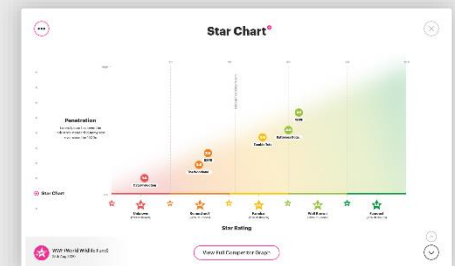
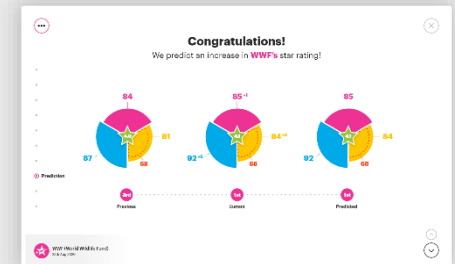
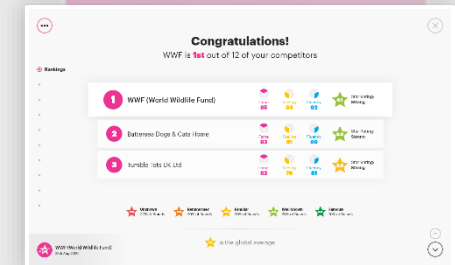
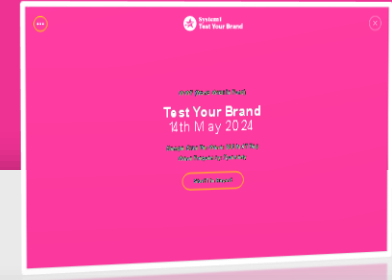
Test Your Ad



Test Your Innovation



Test Your Brand



There is massive headroom in the pre-testing market and we are playing in growth areas

Total Addressable Market
\$20.43bn



Ad Pre Testing
\$2.46bn

Innovation Testing
\$12.02bn

Brand Tracking
\$5.95bn

Our USP is **predictiveness**, translating emotion into business results



What makes our metrics so accurate?

We believe in the power of emotion to drive growth.

Behavioural and marketing science agree – people aren't careful, logical decision makers.

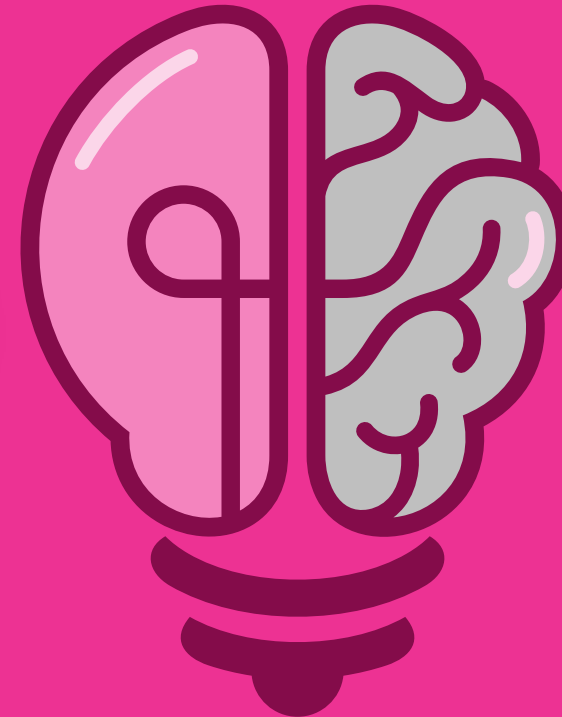
They rely on positive emotions and feelings to make decisions.

And nothing influences positive feeling like creativity.

System 1 Intuition & Instinct

95%

Unconscious
Fast
Associative
Auto Pilot



System 2 Rational Thinking

5%

Takes Effort
Logical
Lazy, Slow
Indecisive

Platform and Products based on world leading IP, methodologies and technologies



Ads | Brands
Ideas tested

190K+



Survey
Responses

15M+



Emotions measured
through FaceTrace™

36M



Markets

50+

Mike Perlman
Chief Commercial Officer

System1

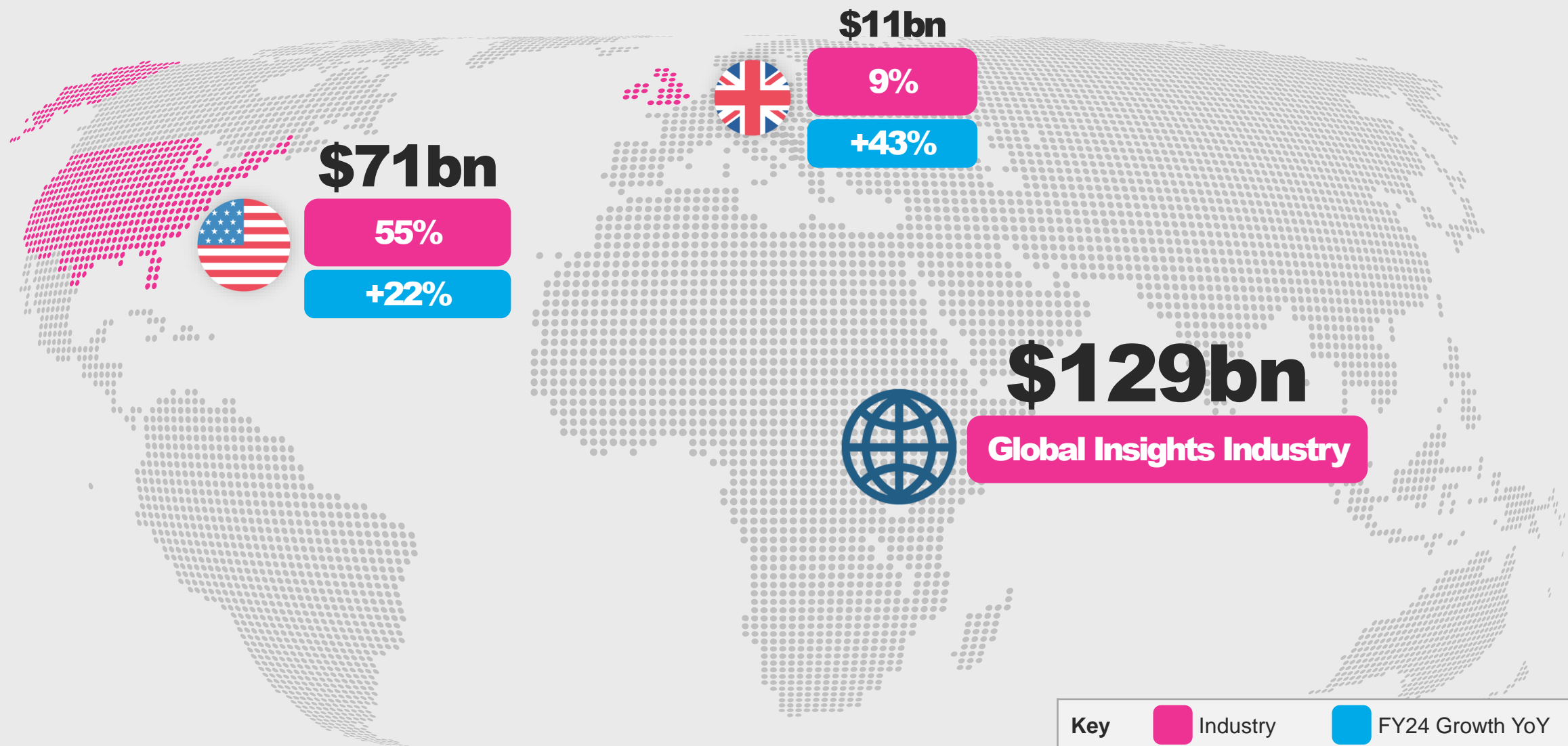


System1 System1

With **13 offices** around the globe, we understand locality & can run tests in 81 markets

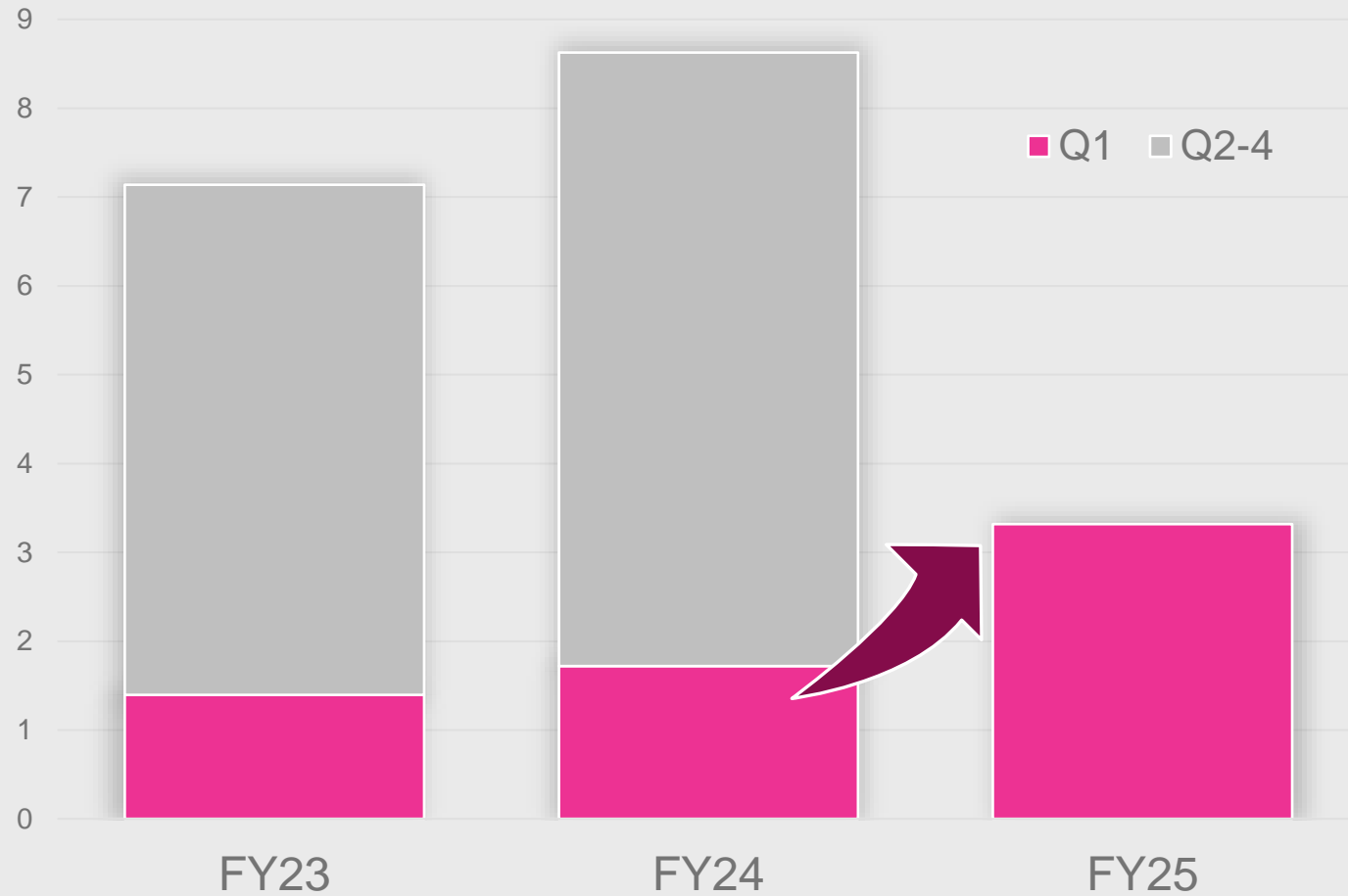


We are focussed on Winning in America



System1 | Gaining Traction in the USA

GBP £m



FY24

Sales Revenue **£9m**


Clients **83**

Employees **24**





We are growing in the USA & UK

We work with 5 of the top 10 USA advertisers & 7 of the top 10 UK advertisers



Rank	Parent Company
1	<i>P&G</i>
2	abbvie
3	GSK
4	WALT DISNEY
5	 novo nordisk®
6	PROGRESSIVE™
7	Alphabet
8	 WARNER BROS. DISCOVERY
9	 PEPSICO
10	amazon



Rank	Parent Company
1	<i>P&G</i>
2	sky
3	Unilever
4	 Crown Commercial Service
5	L'ORÉAL
6	 reckitt
7	TESCO
8	 McDonald's
9	amazon
10	

Five Steps to 5-Star Ads

System1

offer a solution to help you

Create with Confidence

at each stage of the
advertising development process



Test early. Test often.



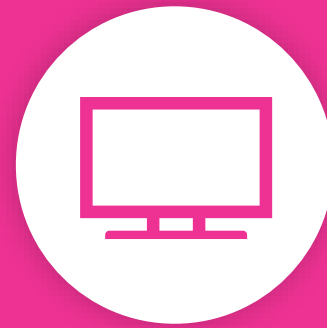
Concept



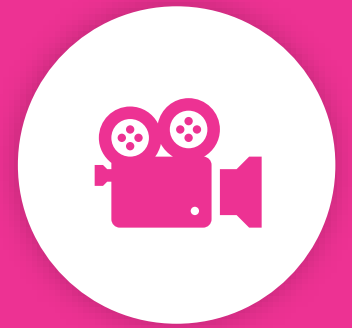
Script



**Boardomatic /
Animatic**



Rough Cut



Final Creative

System1
Create with Confidence



Five Steps to 5-Star Innovation

System1

offer a solution to help you

Create with Confidence

at each stage of the
innovation development process





Test Your Innovation



**Brand
Positionings**



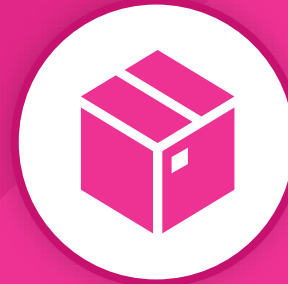
Concepts



**Product
Claims**



**Product
Names**



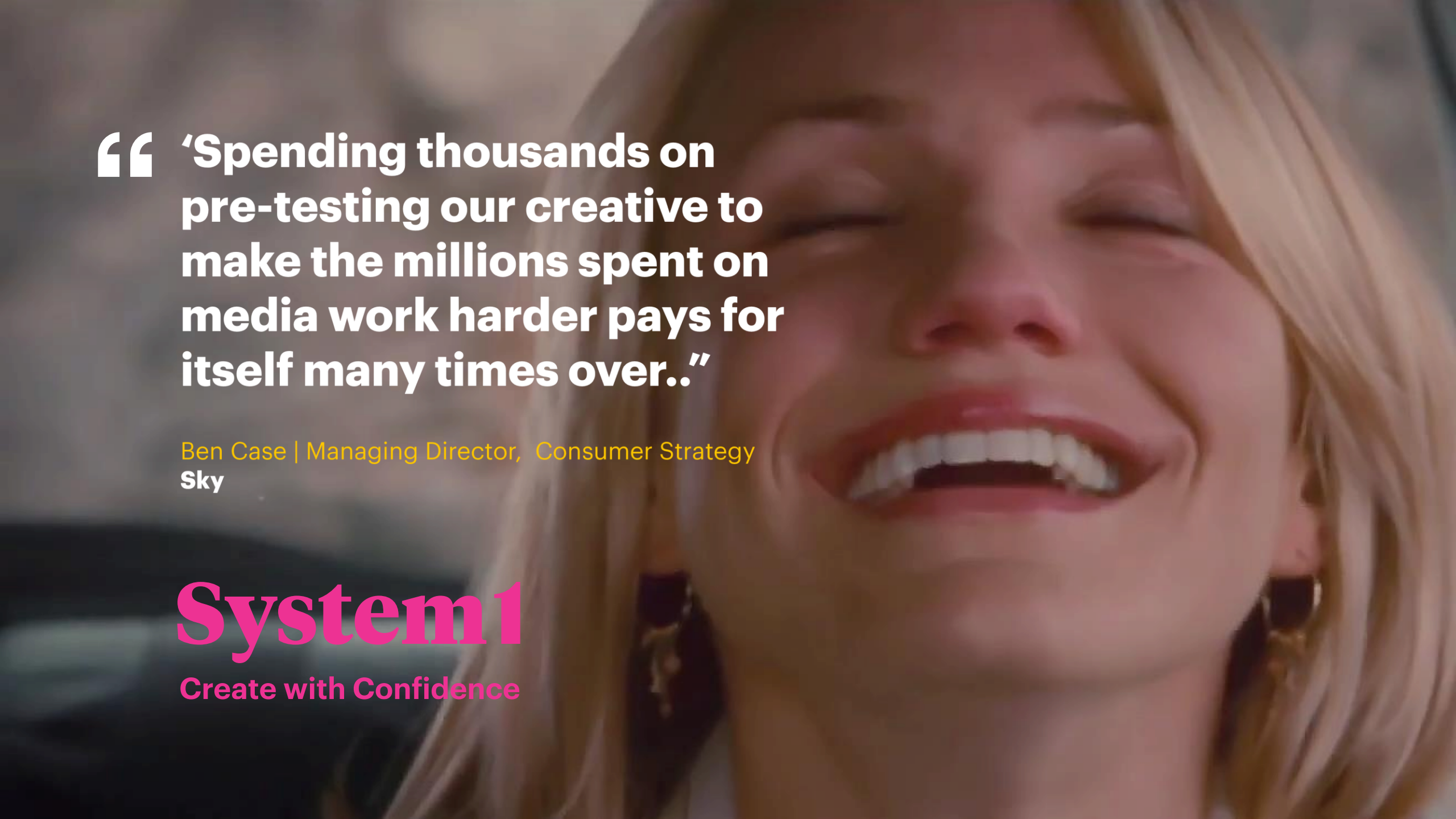
Packs



Logos

System1

Create with Confidence



“ ‘Spending thousands on pre-testing our creative to make the millions spent on media work harder pays for itself many times over..”

Ben Case | Managing Director, Consumer Strategy
Sky

System1
Create with Confidence



‘We leaned on System1’s Guidance to uncover which creative elements were essential and where our ad could be improved. The insights were delivered quickly and made it clear how we should move forward with production.’

Rodrigo Munaretto | Brazil CMO
Subway



System1

Create with Confidence

Chris Willford

Chief Financial Officer

System1



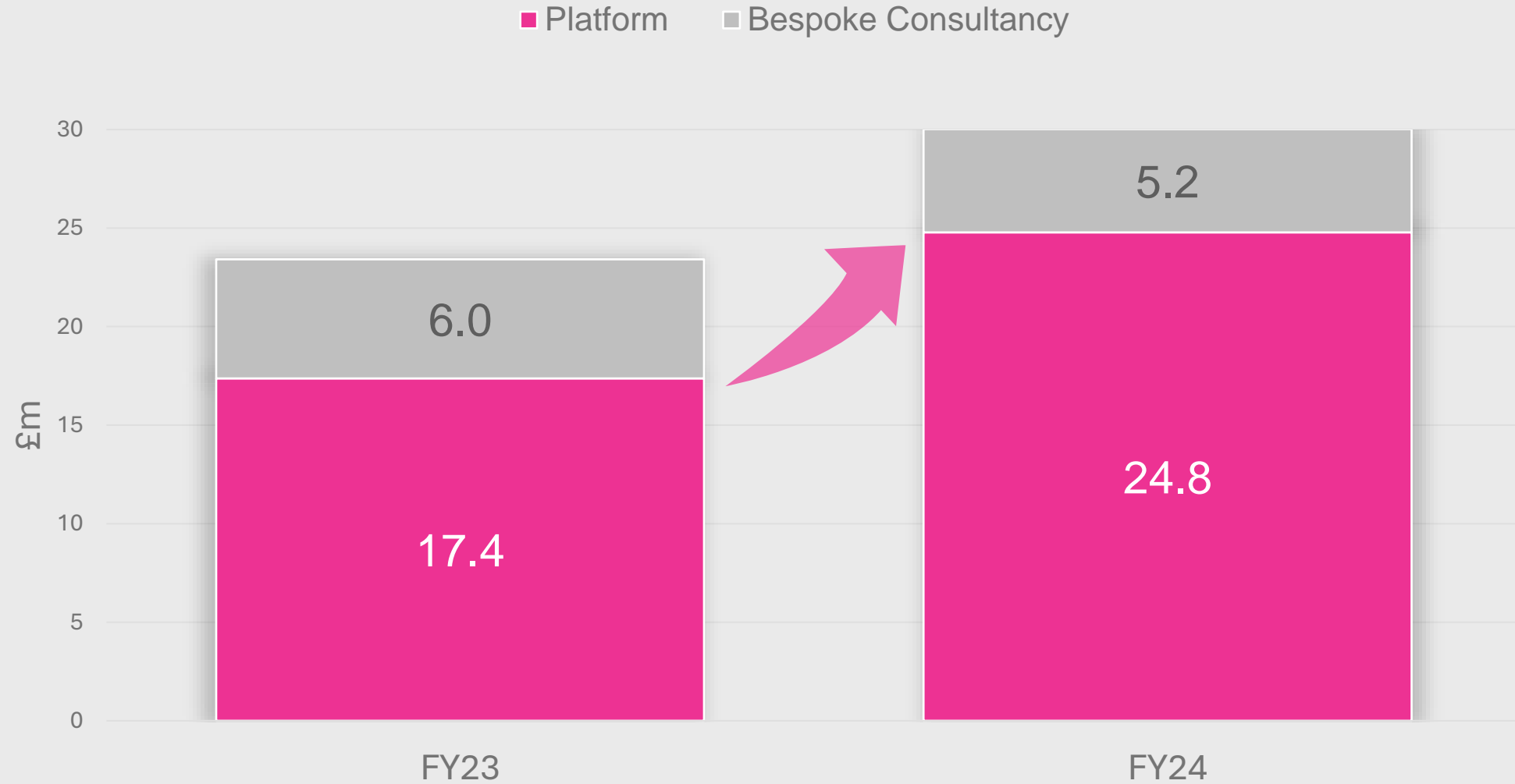
FY24 Performance Highlights

- ★ Momentum maintained. Platform revenue up 43% on last year; total revenue up 28%
- ★ Significant double-digit revenue growth in US, UK and Europe
- ★ 260 new client wins
- ★ Net Revenue Retention Rate of 100% on platform revenue
- ★ Gross profit margin increased to 87%
- ★ Adjusted EBITDA Margin 15% versus 7% in FY23
- ★ Statutory profit before tax £3.1m >4x FY23
- ★ £9.6m Net Cash at 31 March 2024, +£4.0m Free Cash Flow
- ★ Proposed dividend 5p per share

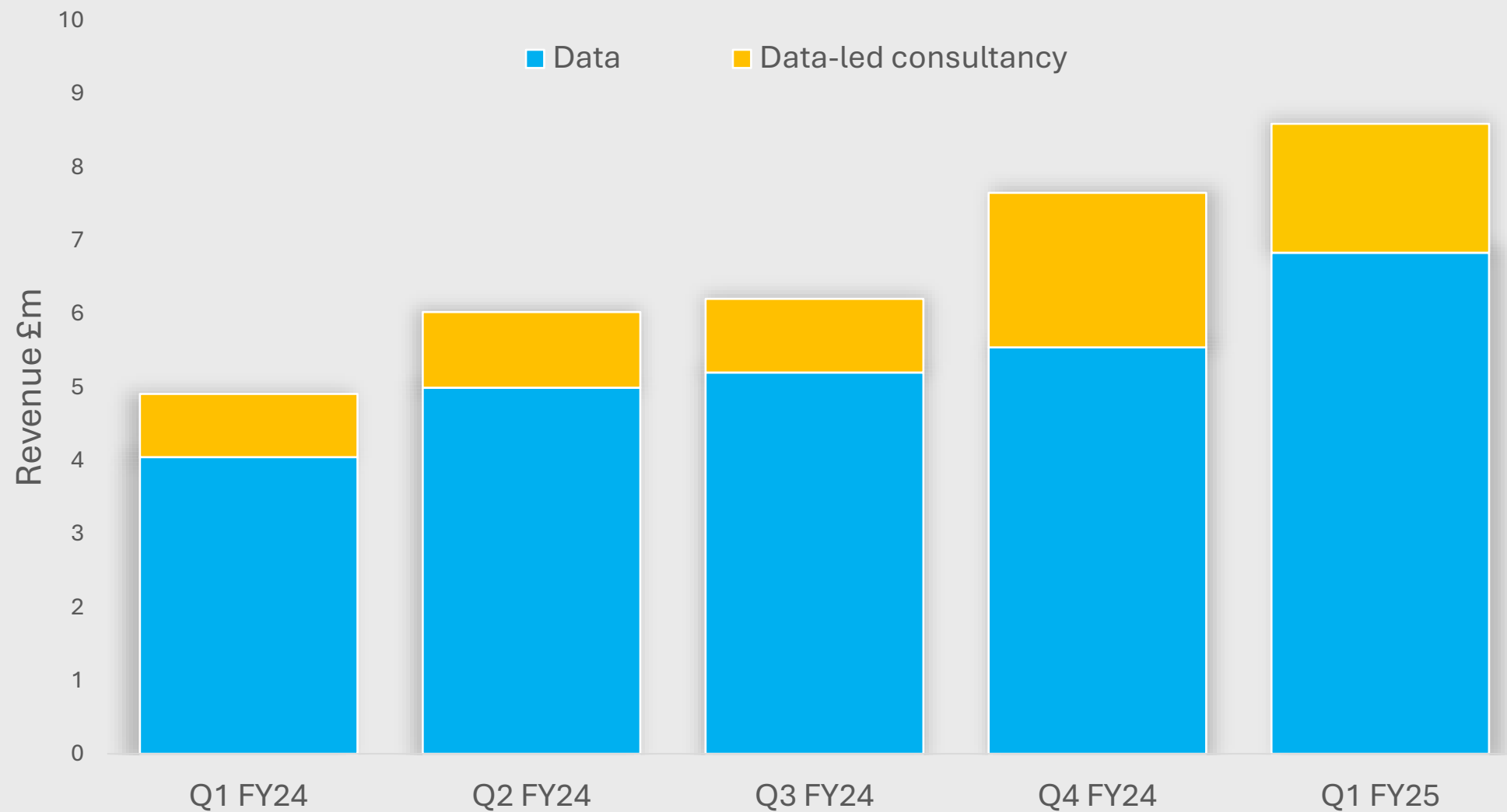
Profit turnaround FY24 versus FY23 **shows benefit of our scalable business model**

	FY24 £m	Change %
Platform Revenue	24.8	+43%
Total Revenue	30.0	+28%
Cost of Sales	(3.9)	+6%
Gross Profit	26.1	+32%
Statutory Profit Before Tax	3.1	+333%
Profit after Taxation	2.0	+403%
Earnings per share (p)	16.0	+404%

Platform revenue grew year on year driving top line growth



Platform Revenue growing Quarter on Quarter



Our Key Performance Indicators **are moving in the right direction**

KPIs	FY24	FY23 ²
Platform Revenue % total Revenue	82	74
Platform Revenue growth %	+43	+40
Gross Profit % Revenue	87	84
Adjusted EBITDA % Revenue	15	7
“Rule of 40” ¹	57	47
Net cash £m	9.6	5.7

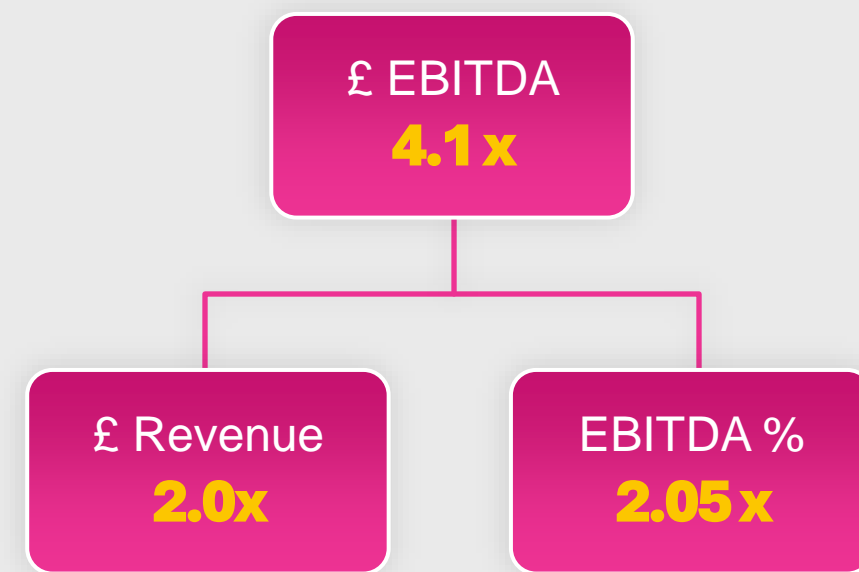
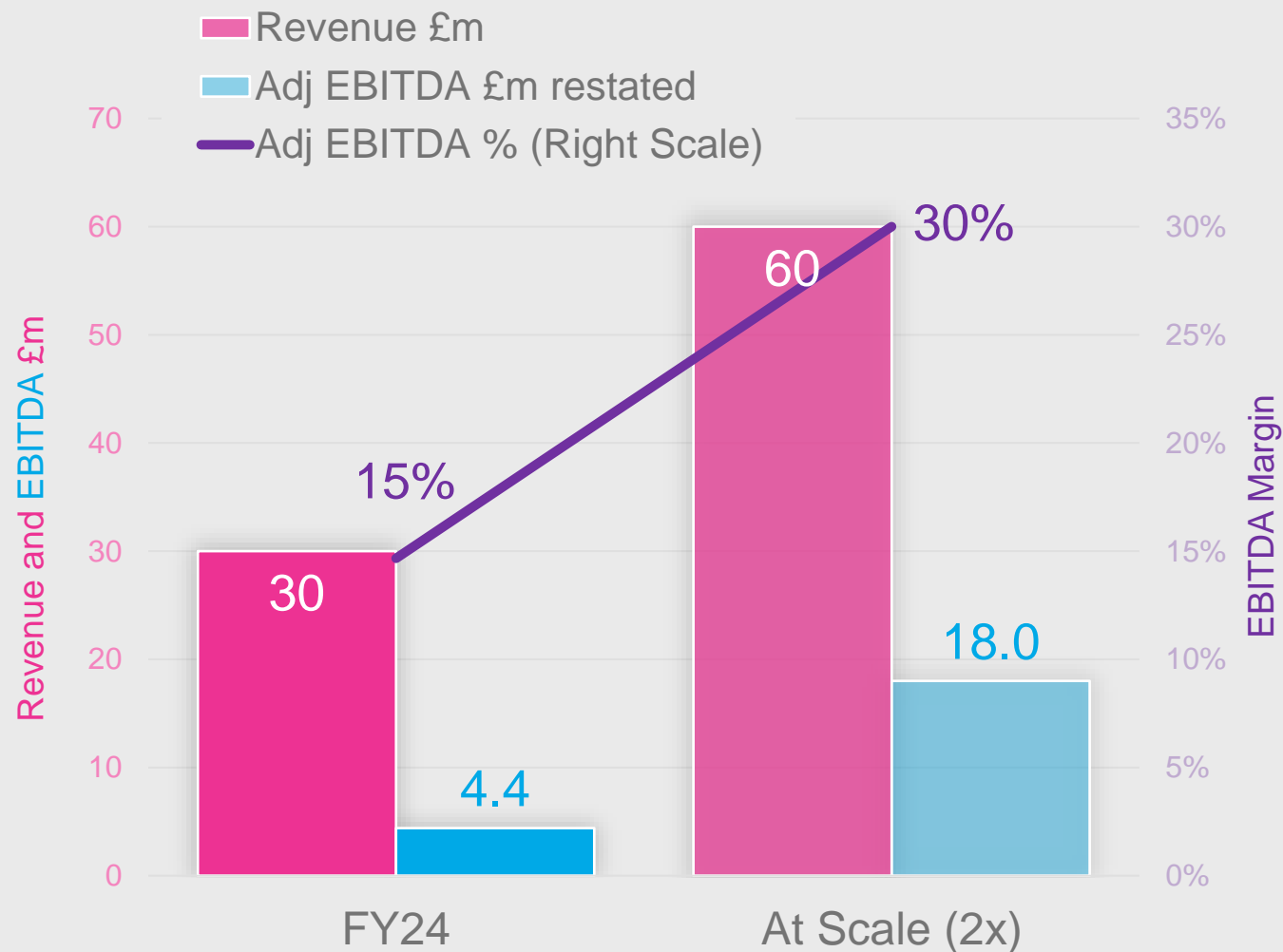
...and we believe we are on track to meet our medium-term goals

KPIs	FY24	Goal at Scale
Platform Revenue % total Revenue	82	95%
Platform Revenue growth %	43	10-20%
Gross Profit % Revenue	87	>85%
Adjusted EBITDA % Revenue	15	>30%
“Rule of 40”	57	>40%

We anticipate **low impact on overhead costs** as we grow

Area	Impact of volume growth	Comment
Sales & Marketing	Low-medium	Increases with new clients and partnerships and account management on major clients.
Operations	Low	Highly automated. Volume increases minus productivity result in only minor cost increases.
IT	Very low	Invest to keep products up-to date. Resource constant.
Admin	Very low	Fit for purpose, minor increases only.

The scaling effect to come | Illustrative



System1 Questions?

