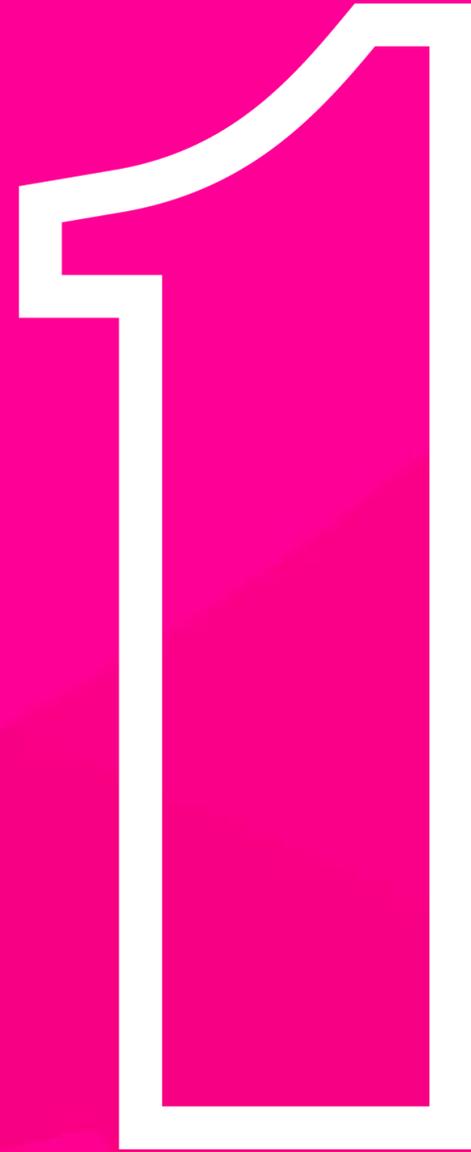


System1 Interim Results

November 2021

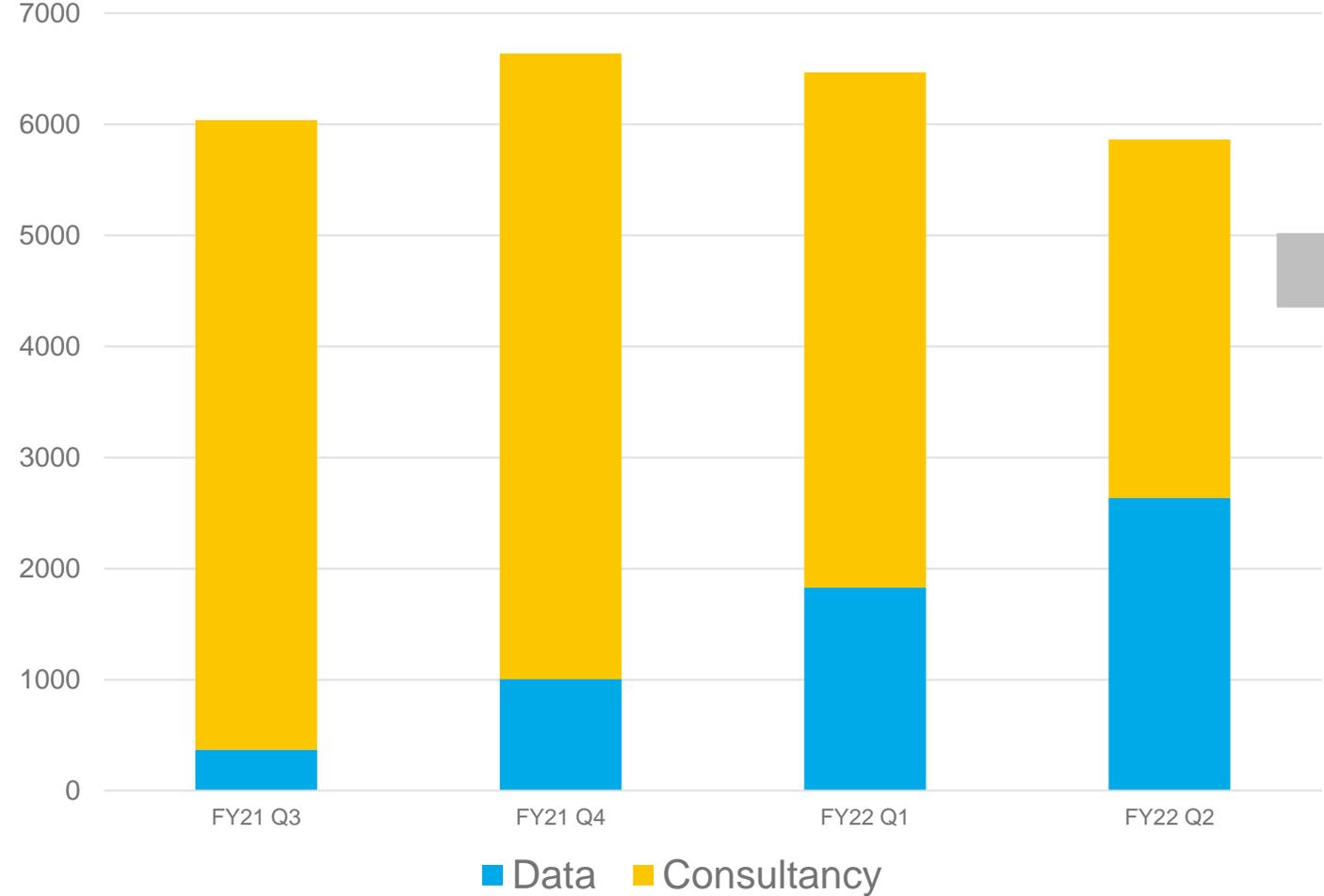


Profit & Loss H1 £'m (6 months to 30th September 2021)

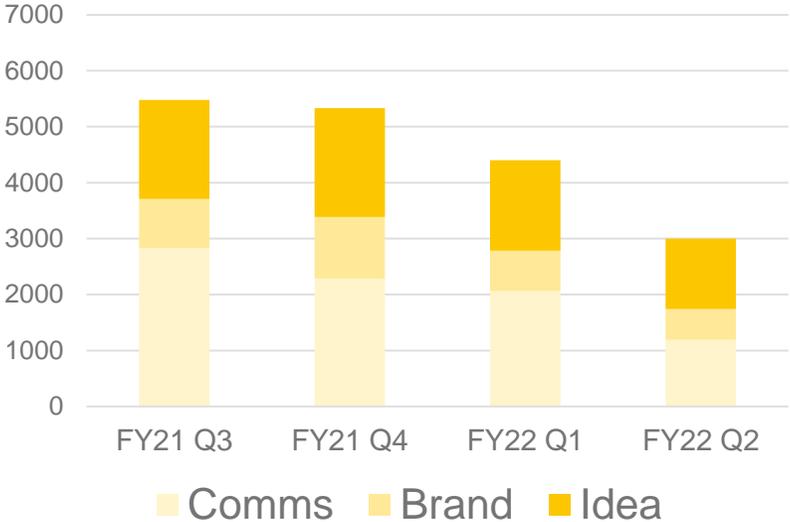
	FY22	FY21	Change £m	Change %
Revenue	12.4	10.1	2.2	22%
Gross Profit	10.4	8.6	1.8	21%
Adjusted Operating Costs	-9.1	-8.2	0.8	10%
Adjusted Profit Before Tax	1.3	0.4	0.9	252%
Statutory Profit (Loss)Before Tax	1.3	-0.4	1.7	n.m.
Tax (Charge)/Credit	-0.1	0.5	-0.7	nm
Statutory Profit After Tax	1.1	0.1	0.9	1001%

WIP mix switch: bespoke consultancy to Std. Data products

Revenue by Variant £'000

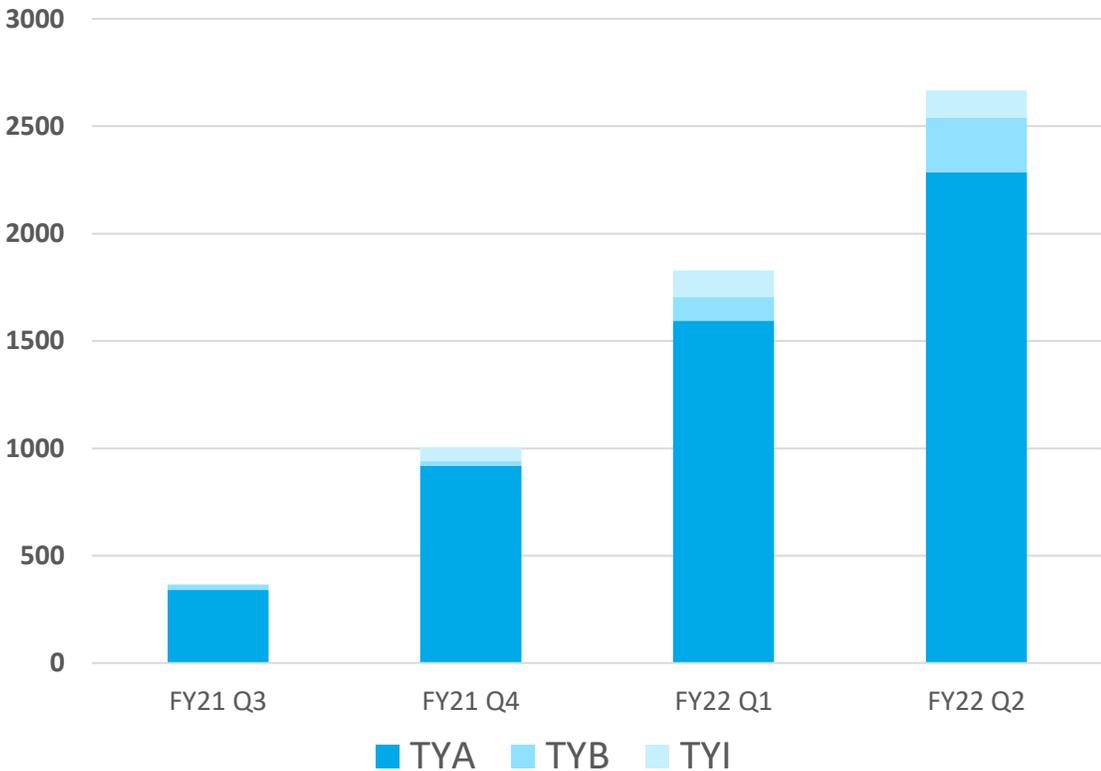


Consultancy Revenues £'000

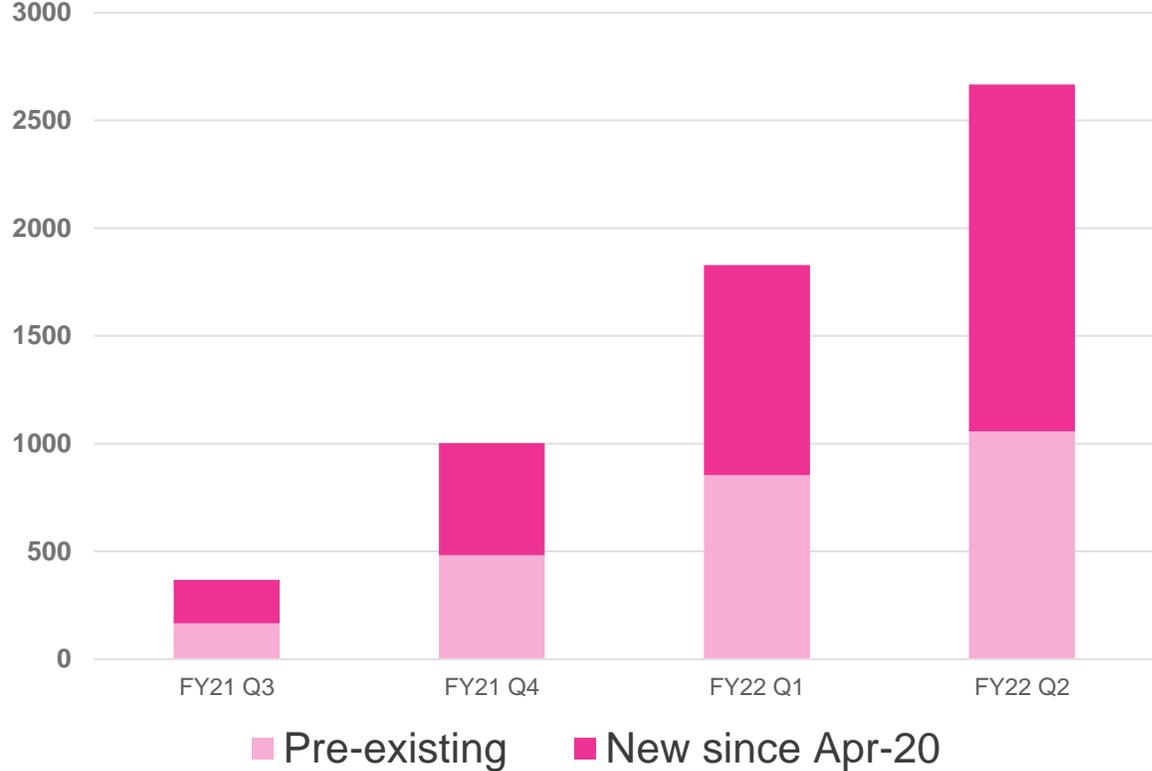


Growth in Data Revenue mainly from Test Your Ad & New Customers

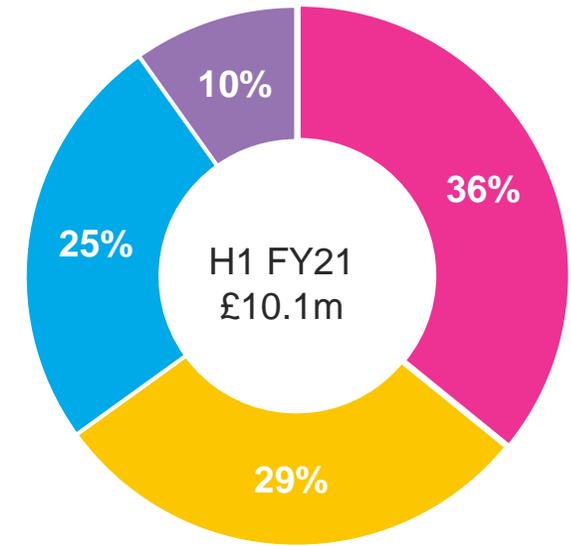
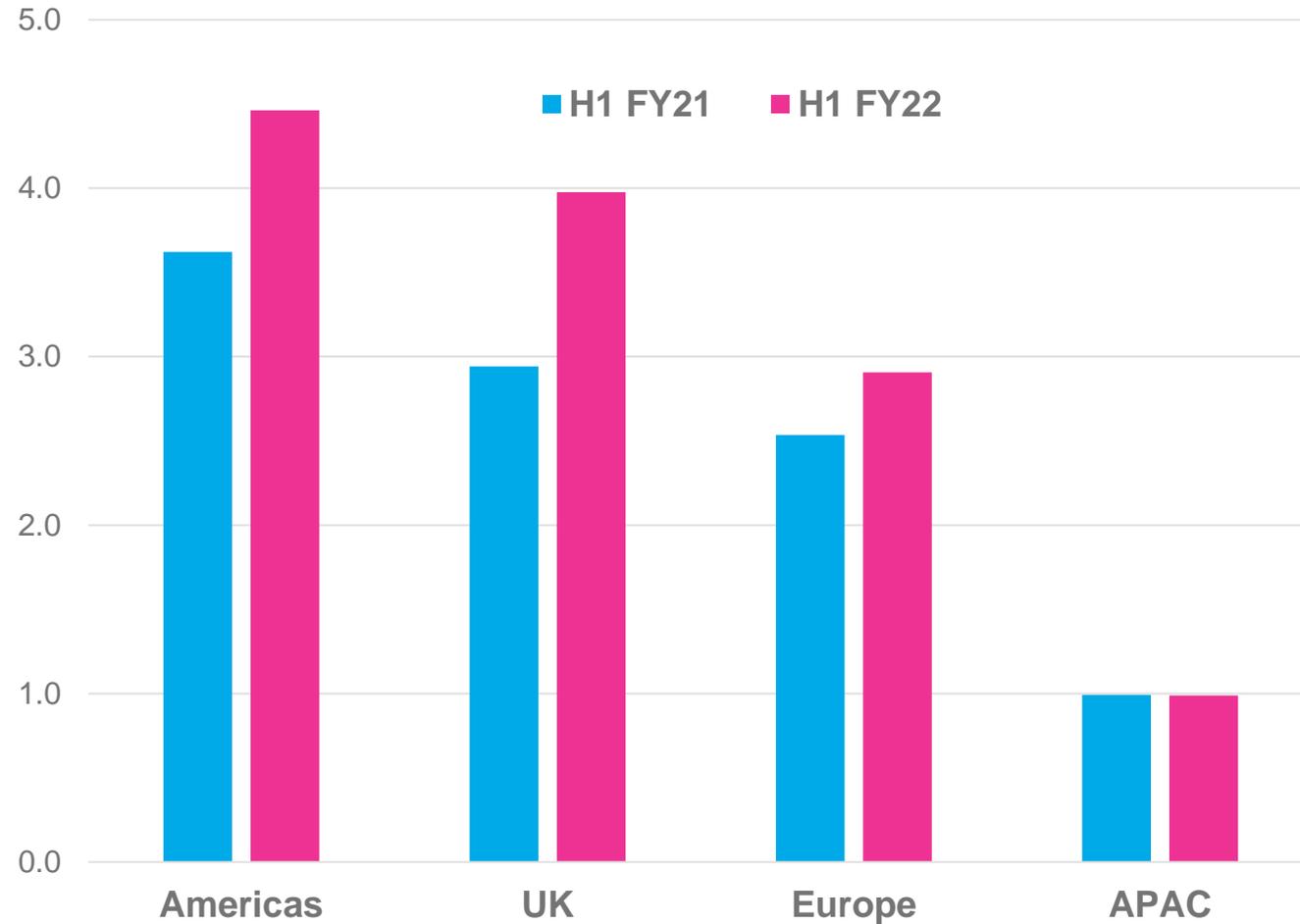
Test Your (TYX) 1st Year Revenue by Qtr...



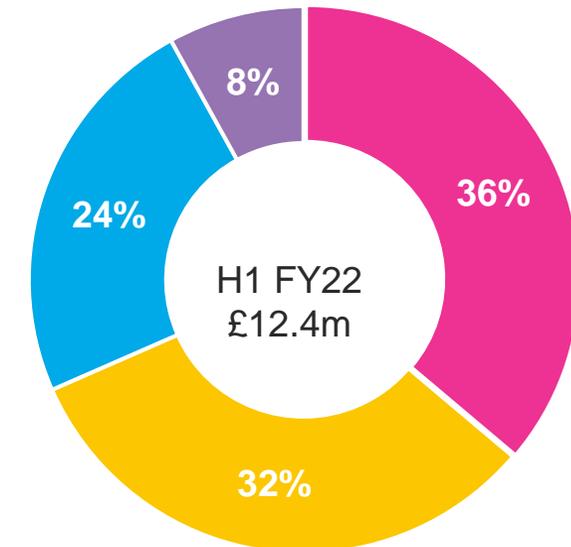
...by Pre-existing and New Customers



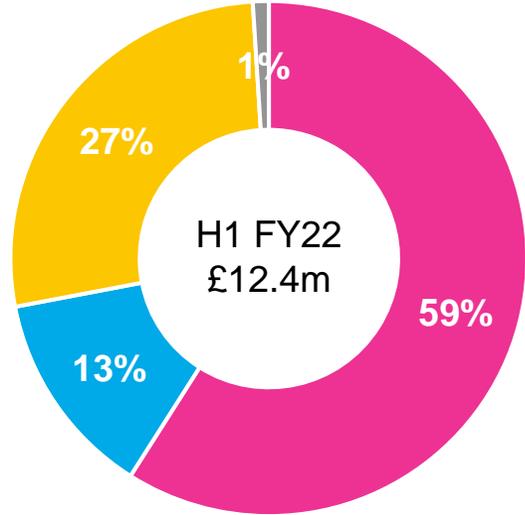
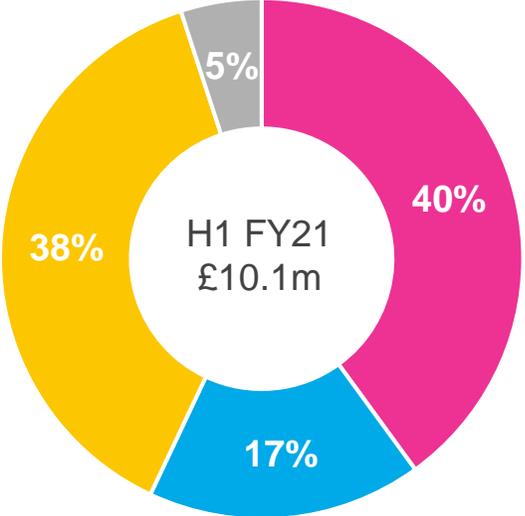
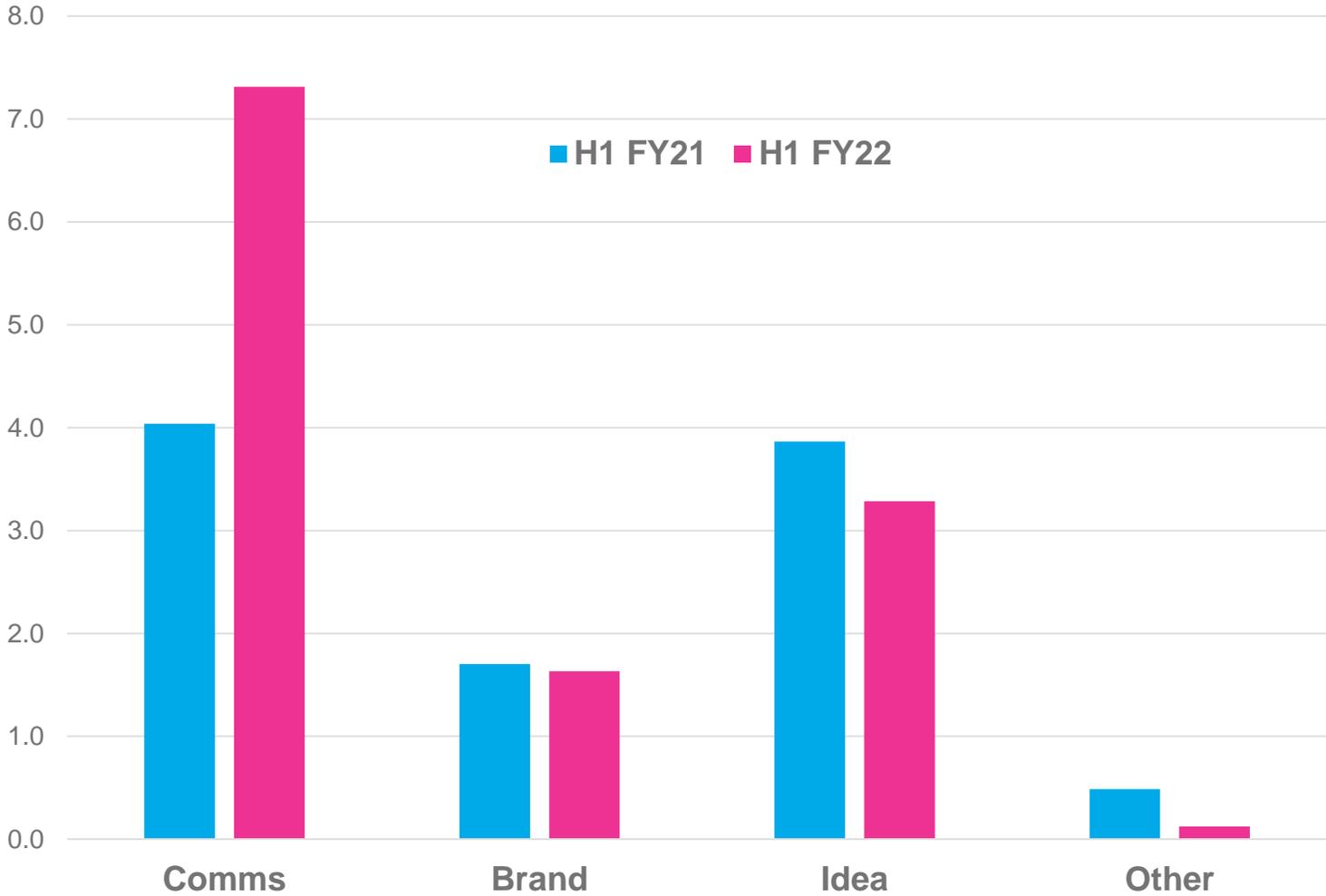
H1 £'m Revenue by Region



■ Americas ■ UK ■ Europe ■ APAC

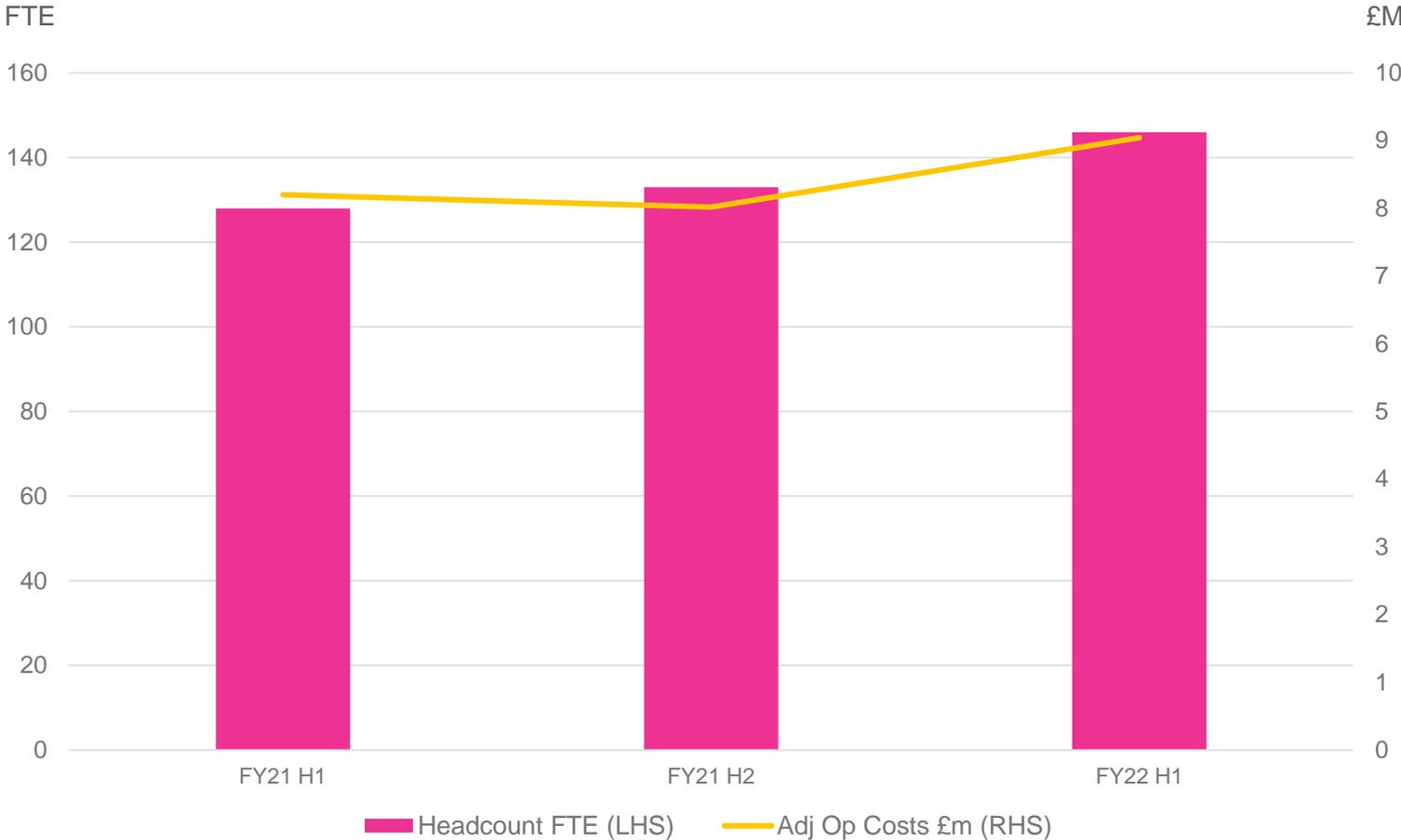


H1 £'m Revenue by Product Group



■ Comms ■ Brand ■ Idea ■ Other

Adjusted operating costs and headcount



Share buyback

- From December 2021 to end of financial year
- On-market repurchase via broker
- Review progress at year end
- First buyback since FY17



System1

THE Marketing Decision-Making Platform

The Case For System1



The case for System1

Assertion	Thesis
1	World-beating prediction/improvement methodologies
2	Unique, step-change improvement in product value for customers
3	Innovation and investment to maintain this product lead
4	Prediction and Improvement market dynamics are very favourable
5	Defensible through IP, Branding, Customer and Supplier relationships
6	We are winning new customers, retaining & growing them
7	Strong scalability and operational gearing from Platform
Conclusion	System1 could be worth a billion+ once it has fully scaled with a 10% market share

Fame

If a brand comes readily to mind, it's a good choice.



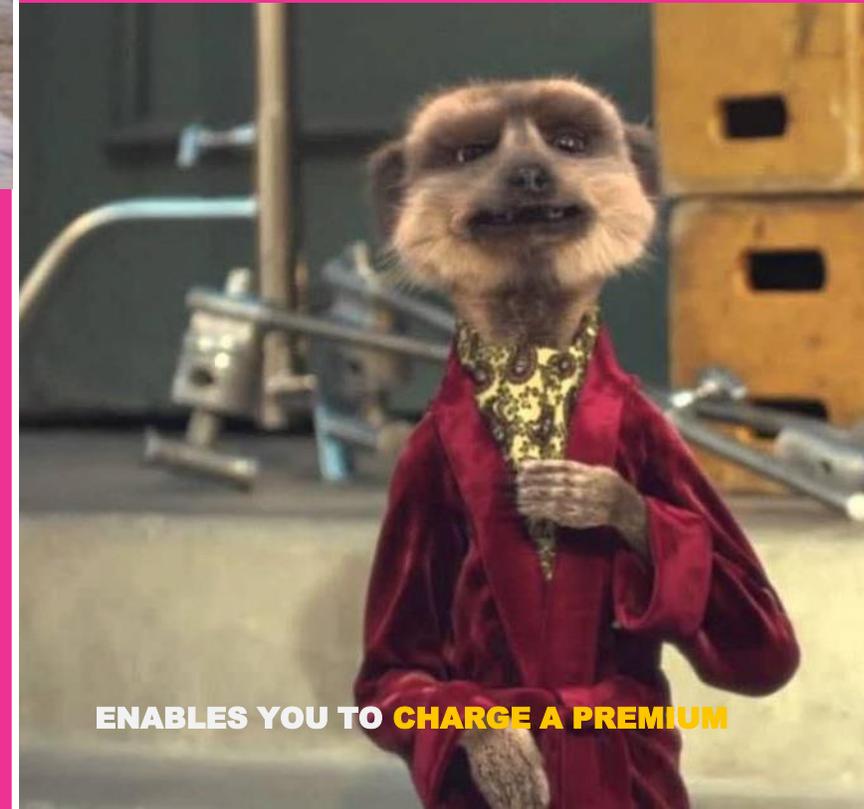
REFLECTS **CURRENT** BRAND SHARE



PREDICTS **FUTURE** BRAND SHARE

Feeling

If I feel good about a brand, it's a good choice.



ENABLES YOU TO **CHARGE A PREMIUM**

Fluency

If I recognise a brand quickly, it's a good choice.

1. World-Beating prediction/improvement methodologies

48%
★1

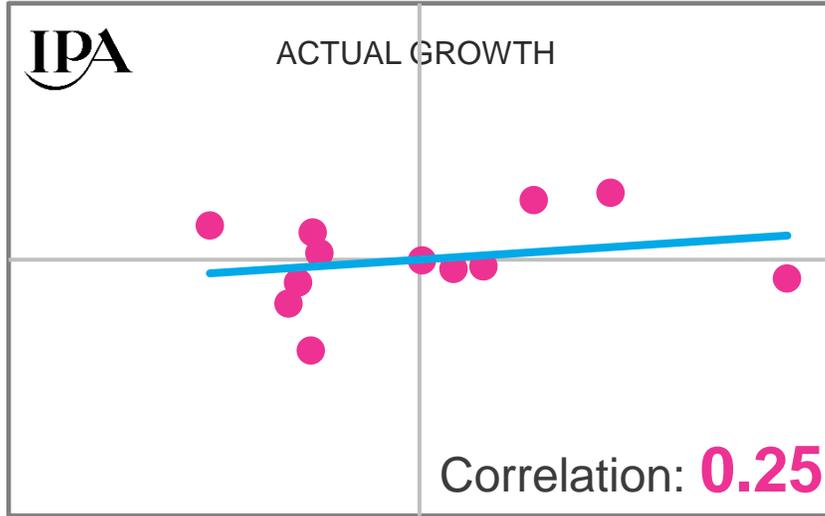
32%
★2

15%
★3

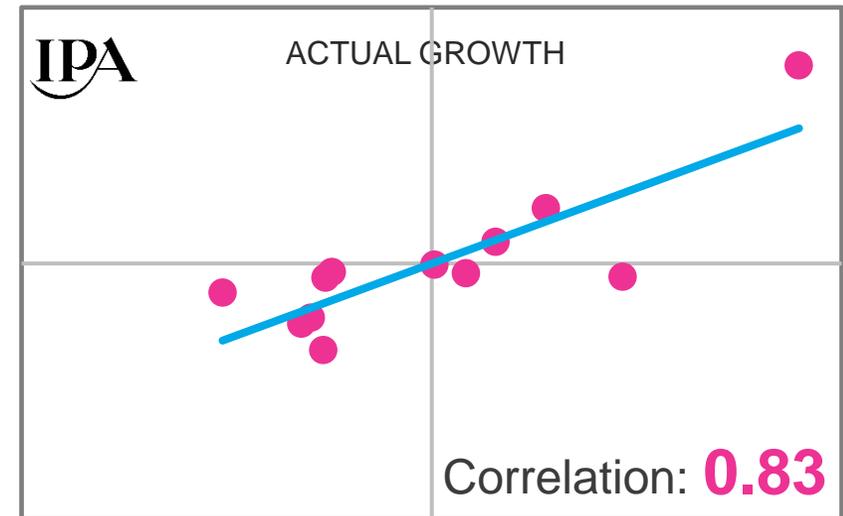
4%
★4

1%
★5

**Quantity of Advertising
TV ESOV**



**Quantity & Quality of Advertising
TV ESOV x Star Rating**



**Star Predicts
long-term profits**

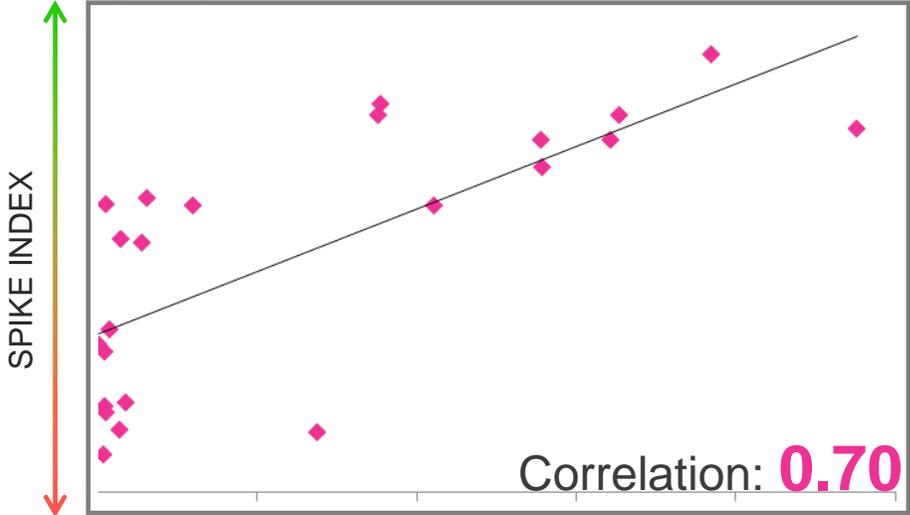
UK Cereals: 12 Brands (55 ads)
£24m+ TV spend, £700m cat. value

Category]	# Ads tested	# Brands represented	Value of advertising	Category size (for SOM)	Period for SOV/Stars	Correlation with ESOV	S1 Prediction Correlation
Cereals UK	55	12	£24.1m	£702m	To Oct 2017	0.25	0.83
Cereals US	77	15	\$289.2m	\$7.03bn	To May 2018	0.59	0.74
Gum US	20	6	\$83.0m	\$3.19bn	To May 2018	0.30	0.67
Savoury Snacks UK	29	15	£25.8m	£1.77bn	To Mar 2018	0.49	0.62
Toothpaste US	43	6	\$231.7m	\$2.86bn	To May 2018	0.50	0.75
Yoghurts UK	33	9	£24.1m	£828m	To Mar 2018	0.71	0.82

1. World-Beating prediction/improvement methodologies

UK Validation

Spike predicts short term TV ROI



Spike Predicts short-term sales

Exceptional
Index above 1.32

Strong
Index up to 1.32

Good
Index up to 1.19

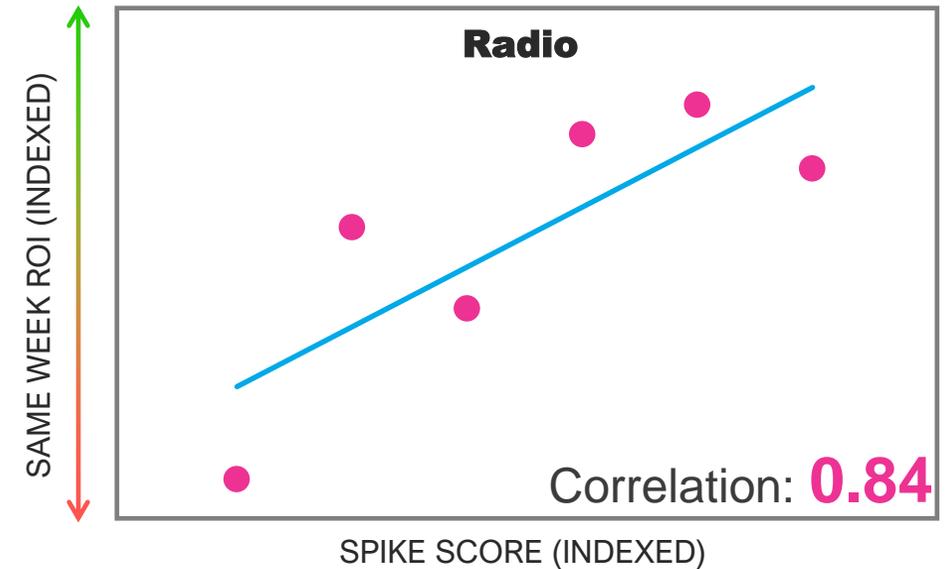
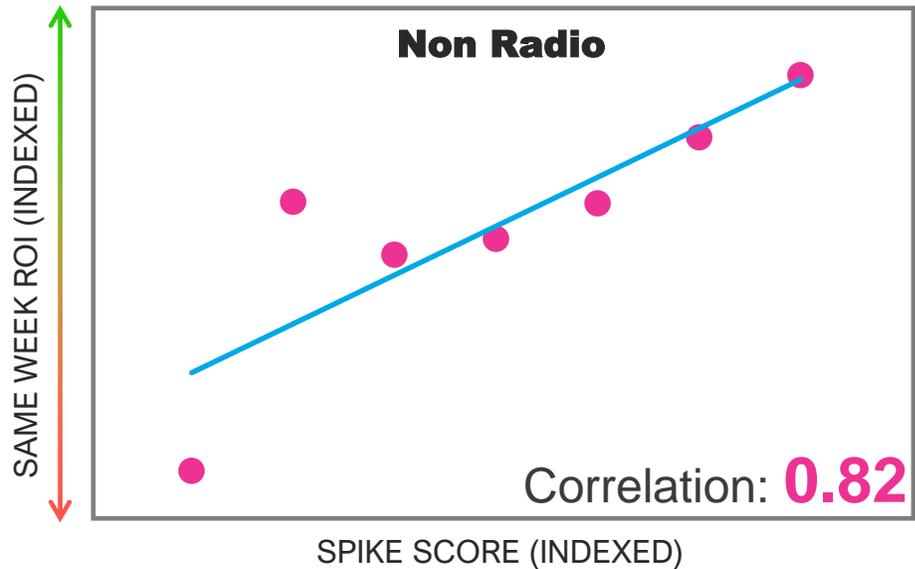
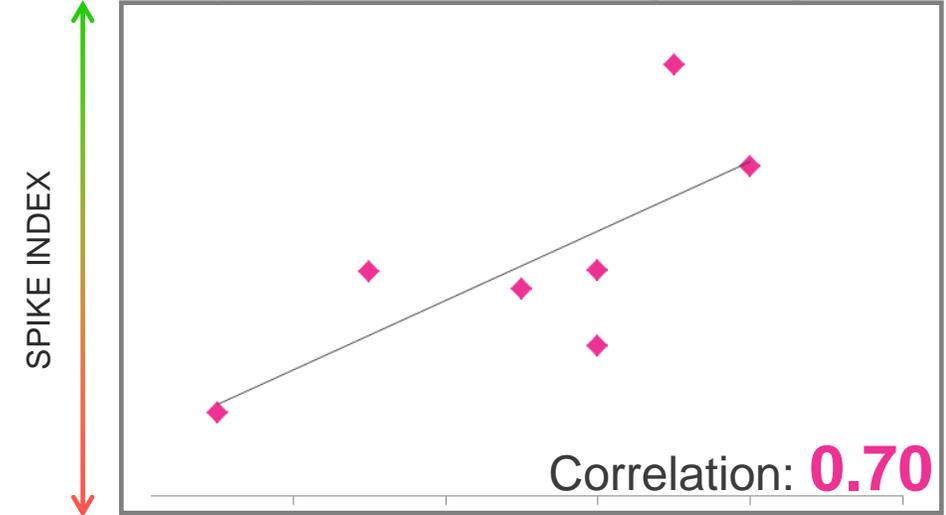
Modest
Index up to 1.10

Low
Index below 1.0



US Validation

Spike predicts click-through for digital ads



System1

2. Unique/step-change improvement in product value for customers



“System1 have a unique calling card here... System1 is special **because you’ve looked at creativity in a far more detailed way.**

You’ve balanced the creativity/media thing, you’ve done it on an effectiveness basis.

You’re not paying me as far as I know, so I endorse System1; **I think the work is great”**

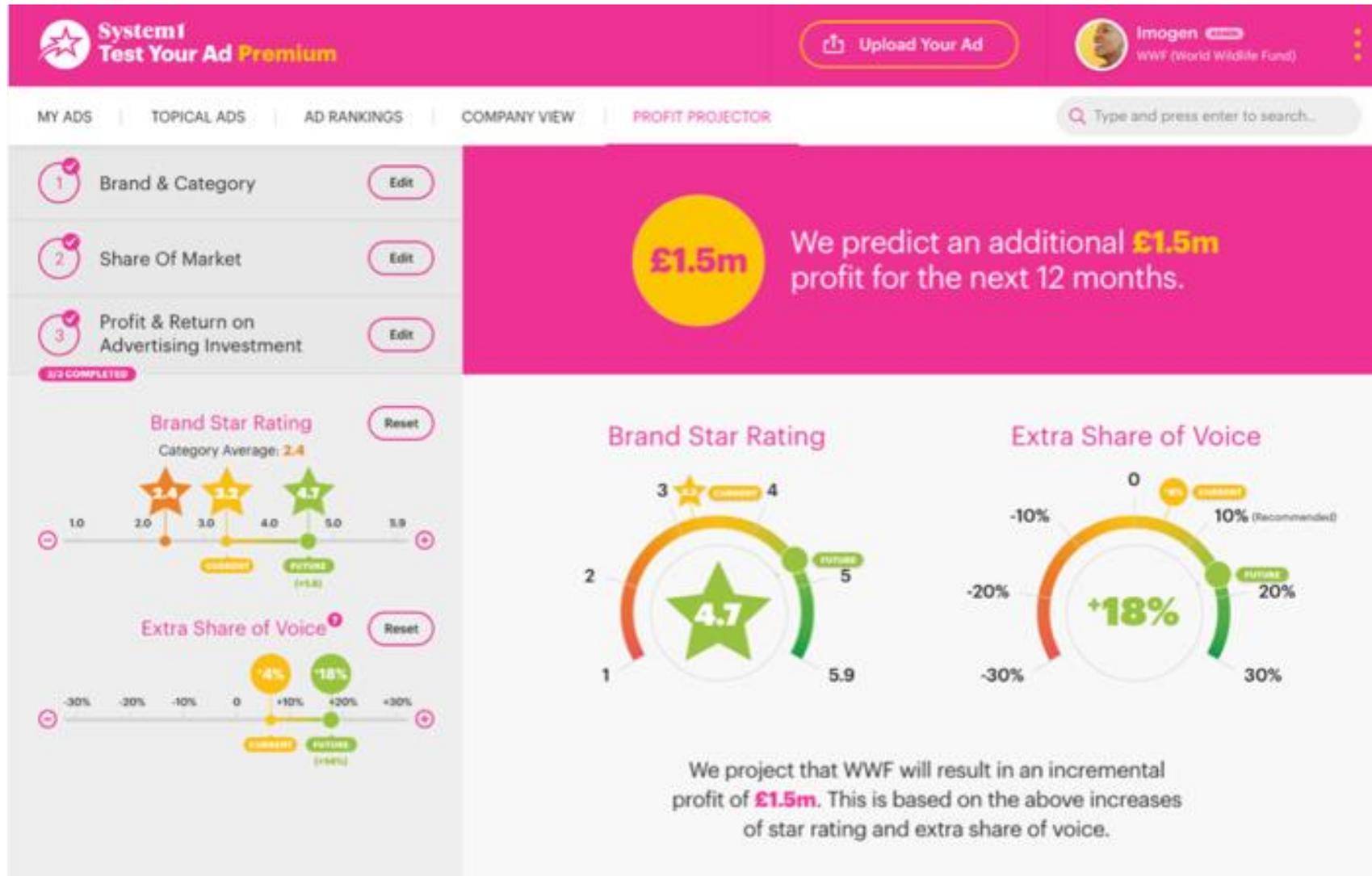
Mark Ritson
Marketing Professor



3. Innovation and investment to maintain this product lead

	Platform	Database	Innovation
Test Your Ad	Fully automated <u>June 2021</u>	Now c.70,000 adverts UK 95% by <u>Dec 21</u> US 95% by <u>Mar 22</u>	TYA Profit Projector TYA Pro Reports
Test Your Brand	Fully automated <u>Nov 2021</u>	Now c.6,000 concepts	TYB Pro Reports TYB Predictions Q2 <u>22</u>
Test Your Idea	Fully automated <u>Q1 2022</u>	Now c.55,000 concepts	TYI Pro Reports Q1 22

3. Innovation and investment to maintain this product lead



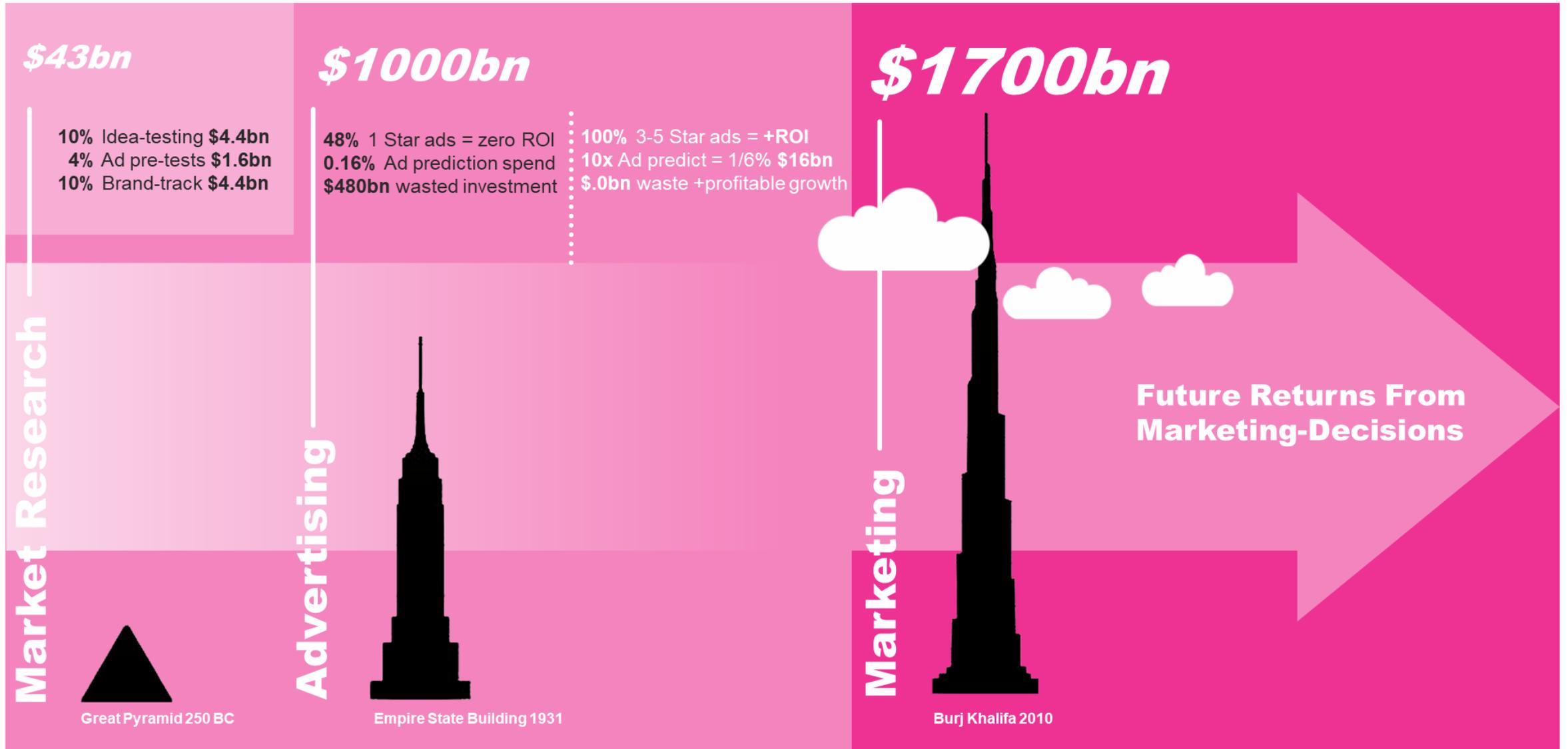
Profit Projector™

Uses our TYA database + the customer's share, spend, and margin data, to accurately predict in minutes, any US/UK Brand's advertising ROI:

1. Av. Star-Rating in TYA
2. Market share
3. Ad spend share of voice
4. Gross margin
5. Retailing costs
6. Production costs

Also allows TYA customers to model/predict how much more their ad ROI would be, with improved creative (av. Star) & increased ad spend (ESOV)

4. Prediction/Improvement market dynamics are very favourable



5. Defensible through IP, Branding, Customer and Supplier relationships

Star, Spike, Fluency Predictions



Long term Star rating: Modest Growth potential



Sales Spike: Modest ROI



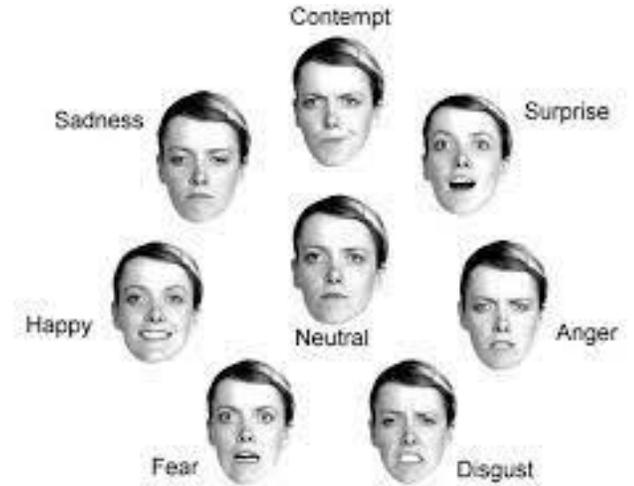
Brand Fluency: Strong

“Test Your” Automated Predictions



- Custom report returned in 24 hours
- Ads tested with nat-rep sample
- Prove what makes your ads effective
- Compare ads against competitors

FaceTrace®



Fame, Feeling, Fluency

Manchester United continues to be the most famous club
Manchester City is well poised for future growth with excess Feeling driven by recent success

Fame, Feeling and Fluency Percentiles



Registered Trademarks

Mark	Territory
“System1”	UK and EU
“System1 Research”	UK, EU, USA etc
“System1 Marketing”	UK, EU, USA etc
“System1 AdRatings”	UK, EU, USA etc
“System1 Group”	UK, EU, USA etc
“FaceTrace”	UK, EU, USA etc
“MindReader”	UK, EU, USA etc
“Profit Projector”	UK, EU, USA etc

5. Defensible through IP, Data, Brand, Customer/Supplier relationships

Asset

1. **BUILD** on the largest db of c.70,000 adverts evaluated on long term effectiveness. We use this to enhance the effectiveness of our Test Your Ad prediction & guidance consultancy business.

Fame

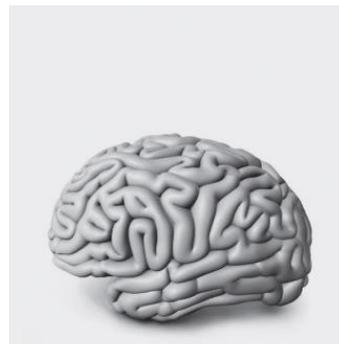
2. **BRAND** use our database and provide topical predictive data to industry publications, to raise our presence in the industry and increase our Fame, Feeling and Fluency. It is world leading and gets better, larger & more compelling every day.

New Clients

3. **WIN** clients in new industries beyond current CPG core off the back of the increase in Fame, Feeling and Fluency.

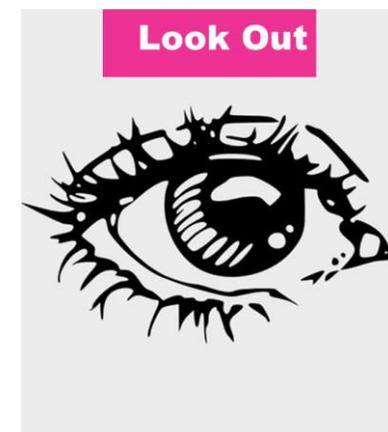
New Revenue

4. **SELL** New Platform data revenue streams (Test Your Ad/Brand/Idea)



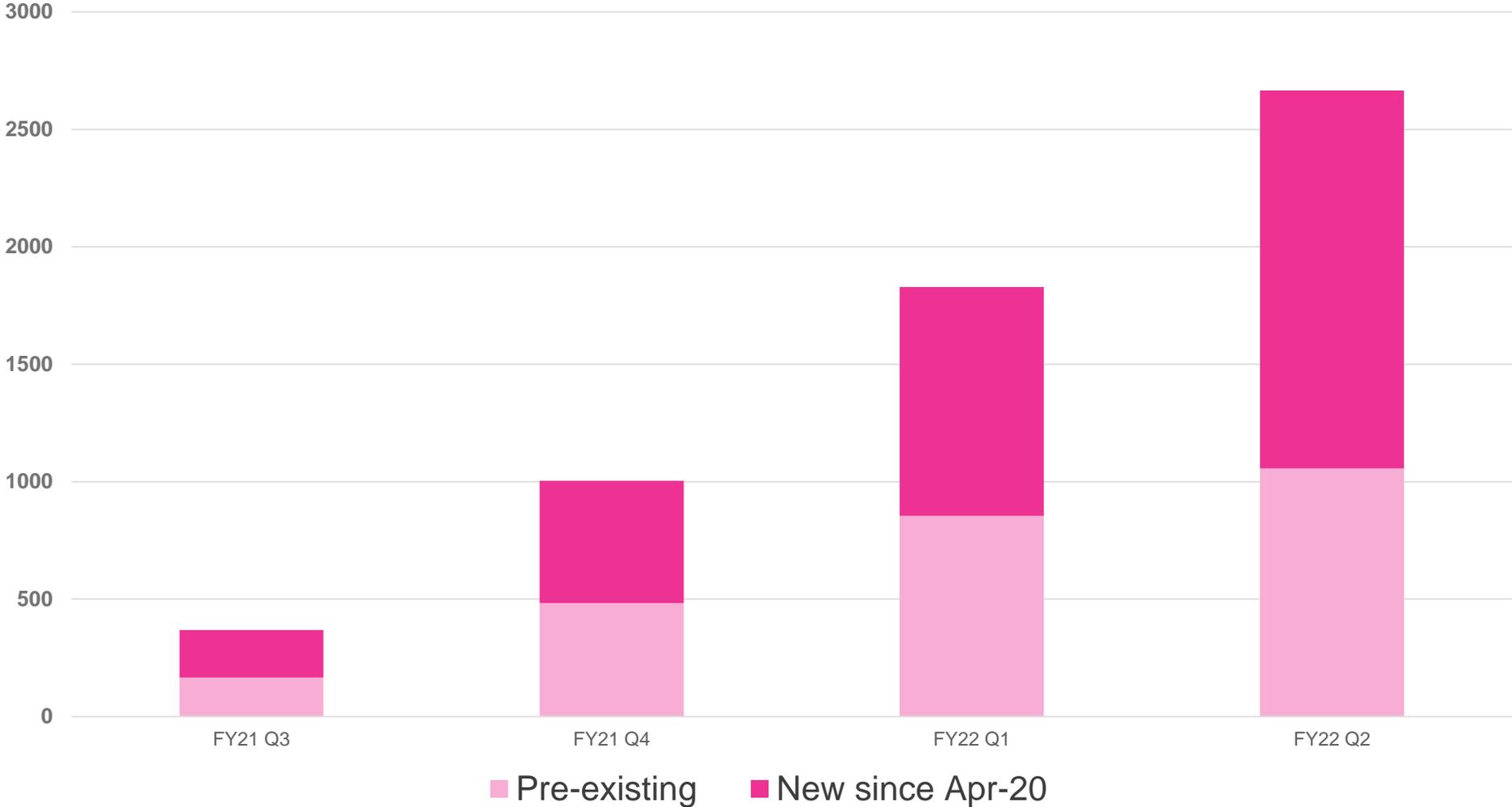
Lemon.

This advertising brief has been prepared by System1 Group Limited. It is intended to provide a summary of the key points of the brief. It is not intended to be a contract. The actual terms and conditions of the brief will be set out in the System1 Group Limited Terms and Conditions of Service. © System1 Group Limited 2020.



6. We are winning new customers, retaining, and growing them

...by Pre-existing and New Customers



E.G.



6. We are winning with CMO's

INDIRECT CMO SELLING

As the biggest investment, ad decisions are made at the most senior levels, with a whole eco-system of influencers/participants. Reaching CMO's at scale will be mainly through **PARTNERSHIPS**

DIRECT CMO SELLING

CMO's are incredibly hard to reach & well-insulated. So, any opportunities for direct selling are absolute **GOLD**

- 1. PERSONAL CONNECT / INTRO'S
- 2. AOTW / AWARDS RECOGNITION
- 3. CMO FORUMS-PRESENTATIONS



C-Suite

Predictable, highly profitable return on advertising investment

- 1. COMPANY PERFORMANCE
- 2. HIGH RTRN ON AD SPEND
- 3. CO. FAME & STAFF PRIDE

Ad Agency

Help win biz & create famous 5-Star ads



- 1. AGENCY £ PERFORMANCE
- 2. CREATIVE ALLY-PARTNER
- 3. AGENCY FAME & AWARDS



Ad Platforms

Effective 5-Star creative + ESOV investment

- 1. TV PARTNERSHIPS
- 2. ONLINE PARTNERSHIPS
- 3. OTHER PARTNERSHIPS

CMO

Ad Industry

Newsworthy hot topics, Ads, thought-lldrship



- 1. EFFECTIVENESS BODIES
- 2. AD PUBLICATIONS
- 3. INDUSTRY INFLUENCERS



Other CMO's

'Leading-edge innov. kudos & helpfulness

- 1. INDUSTRY REPUTATION
- 2. CAREER ENHANCEMENT
- 3. CMO FORUMS/CONF'S

- 1. AD OF THE WEEK-MONTH
- 2. LEMON, LEMON 2, ARTICLES
- 3. S1/PARTNER EVENTS/AWARDS

7. Strong scalability and operational gearing from Platform

Area / Revenue	£50m	£100m	Comment
Sales & Marketing	Slow Increase	Slow Increase	Increase with account management on major customers and new business wins
Operations	Minor Increase	Minor Increase	Highly automated. Volume increases minus productivity result in only minor cost increases
IT	Same	Same	No new products but invest to keep up-to date. Resource constant
Admin	Minor Increase	Minor Increase	Fit for purpose

Summary

- Data platform strategy is on track
- Strong profitability and cash position in H1
- Focussed investment in people and platform in H2
- Underlying profitability on track
- Building and defending our IP
- CMO dialogue transforming customer relationships
- Prioritising growth while protecting profitability

Questions?

