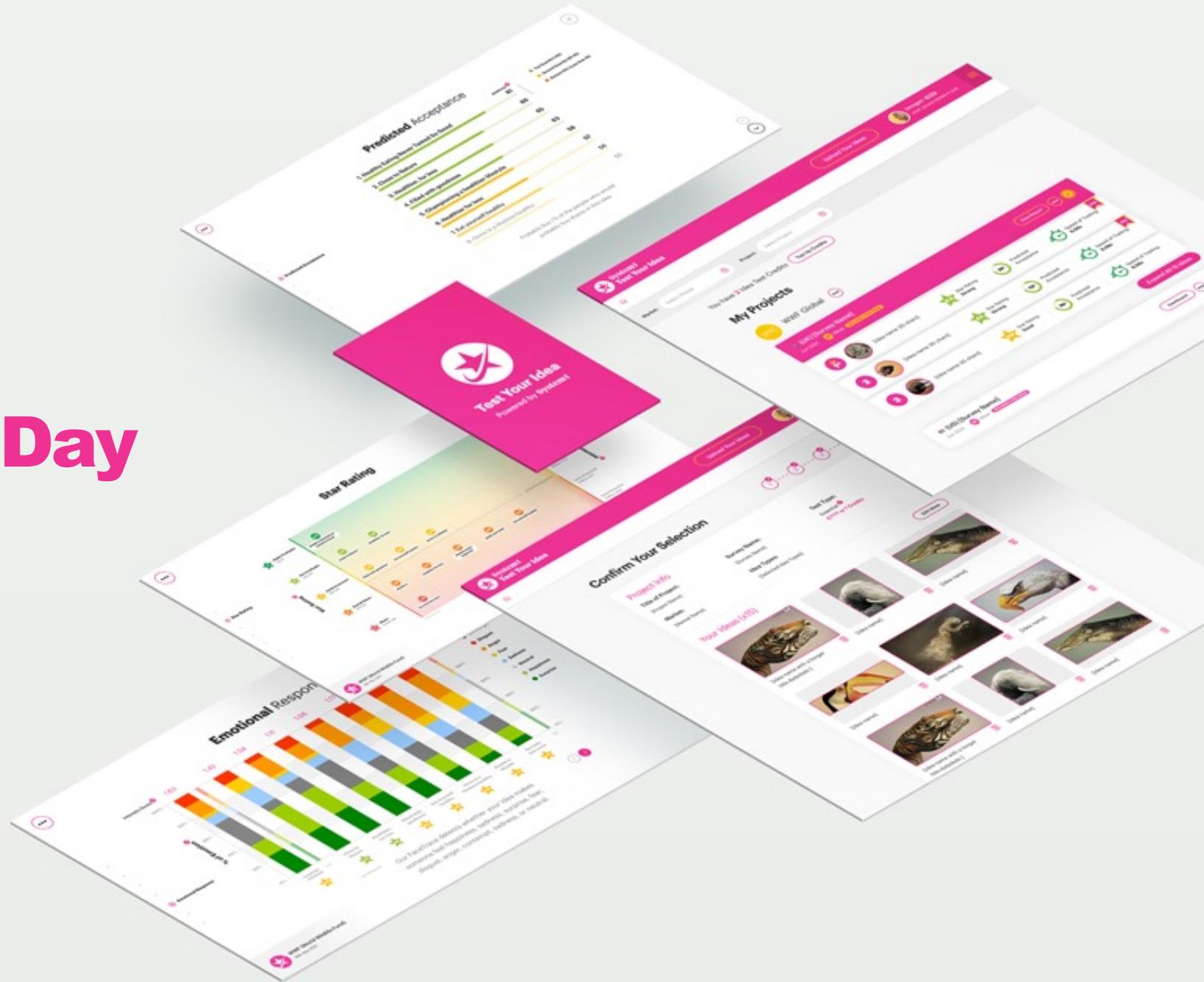


System 1

System1

Capital Markets Day

7th February 2024



System1

James Gregory

Chief Executive Officer



Agenda

1 Delivering on our promises



James Gregory
Chief Executive Officer

2 Customer-centric product



Robyn Di Cesare
Chief Product Officer

3 Scalable growth



Chris Willford
Chief Financial Officer

4 Q&A



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

System 1





51%

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

95%

of new product launches fail



“

The power of creativity for growth could be considered our industry's most fundamental reason for being.

**Creativity is a
superpower.**

Marc Pritchard

P&G Chief Brand Officer

System1

predicts and improves marketing effectiveness ...



We are a marketing decision-making platform



We predict and improve marketing effectiveness

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

Data



(Predict Your)

**Data-Led
Consultancy**

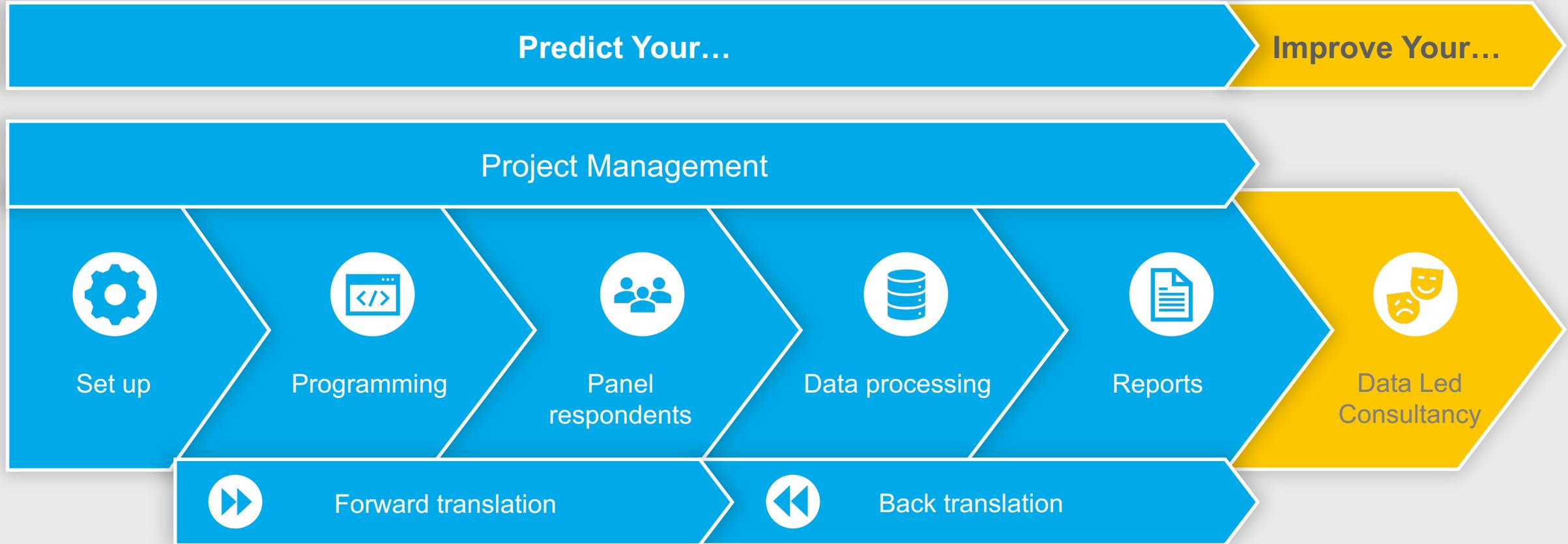


(Improve Your)

**Bespoke
Consultancy**



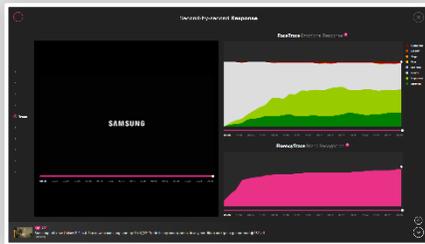
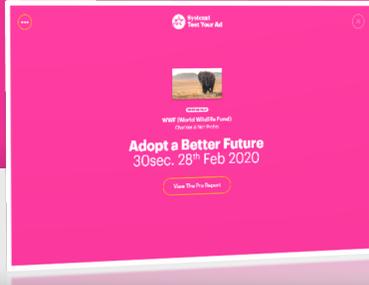
... our predictions (and some improvements) are delivered through an **automated platform** ...



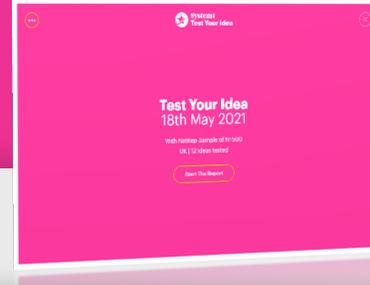
Key: ■ Automated Process ■ Consultancy

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

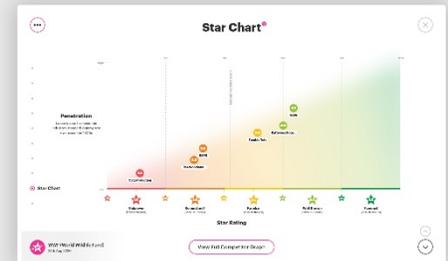
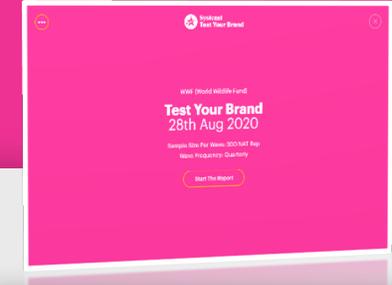
Test Your Ad



Test Your Idea



Test Your Brand



... based on world leading IP, methodologies and technologies



Ads | Brands
Ideas tested

180K+



Survey
Responses

14M+



Emotions measured
through FaceTrace™

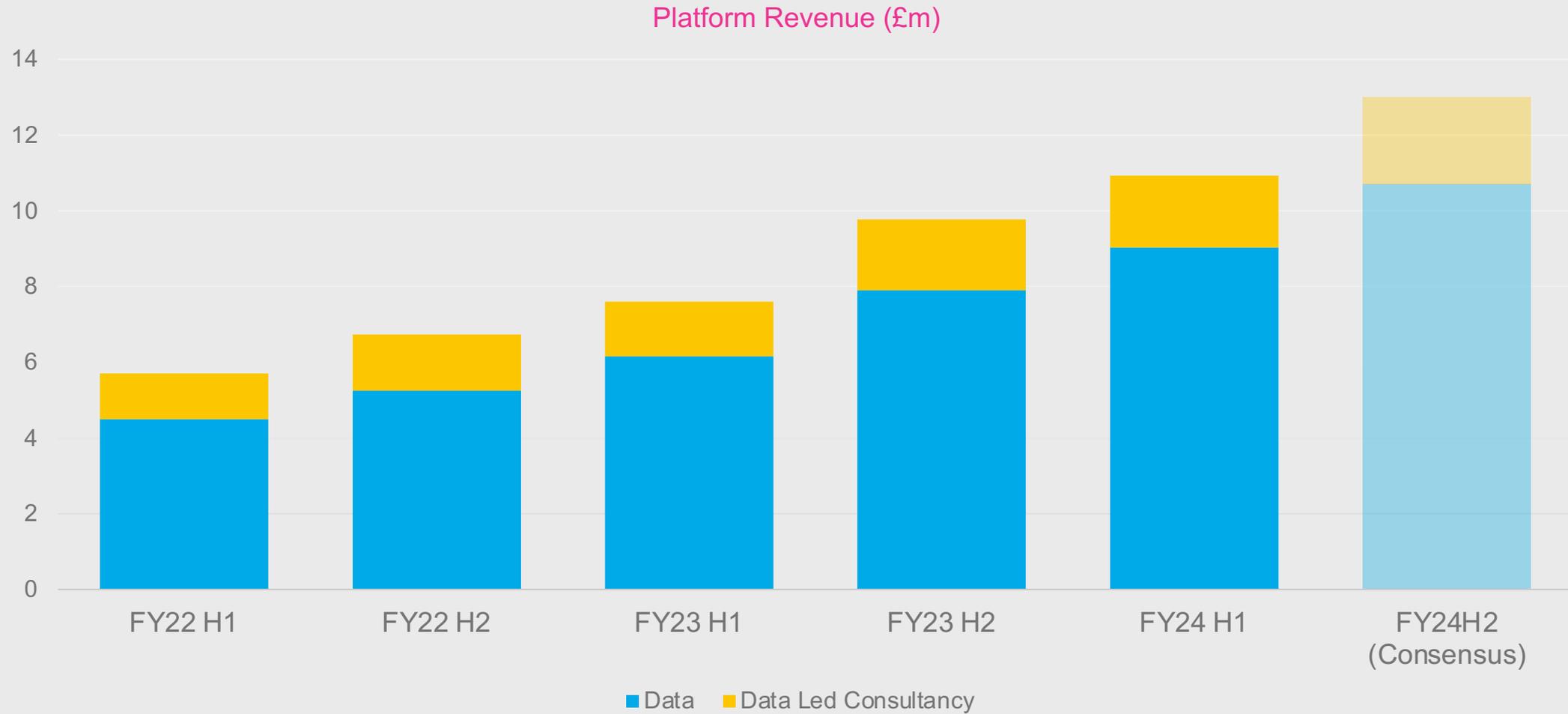
30M



Markets

50+

Platform revenue **continues to grow**



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



We reinvest the results of higher volumes & margins...

We've created a platform & proposition...

We scale up and are embedded throughout...

INVEST

PROPOSITION

To help the world's largest advertisers to make confident creative decisions

SCALE UP

FAME

We're famous for predictions & improvements...

CONVERT

We make it easy for System1 to convert at the right time...

We have a robust support structure & performance culture...

To help the world's largest advertisers to make confident creative decisions

SUPPORT & CULTURE

SUPPORT & CULTURE

We scale up and are embedded throughout...

INVEST

PROPOSITION

SCALE UP

FAME

CONVERT

We're famous for predictions improvements

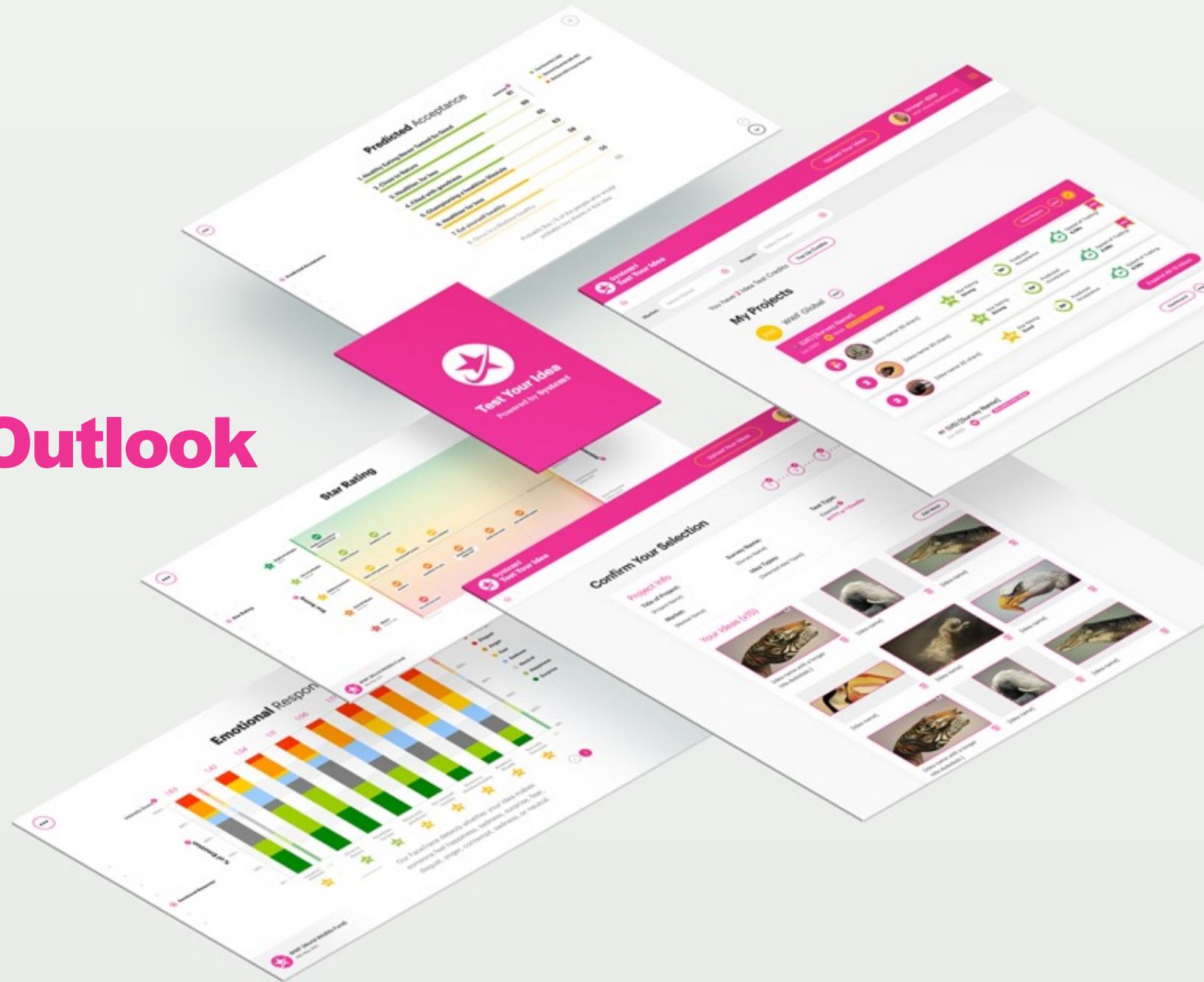
We make it easy for System1 to convert at the right time...

1

System1

Performance & Outlook

FY24



Q3 Highlights

Q3 platform revenue grew to £6.2m up 46% versus Q3 FY23 incl:

- ★ Predict Your (data) revenue grew by 53% to £5.2m
- ★ Improve Your (data-led consultancy) revenue increased by 16% to £1.0m

System1 won over 60 new clients in Q3, over 200 in 9 months

5 new partnerships secured including a leading ad-supported broadcast and cable network in the US

Return to cash generation: cash £6.4m v £5.1m 12 months ago

Year to date gross profit margin 87% - up 4.5 pts on same period FY23

Full year **expectations**

Revenue for the current financial year is expected to be at least **£29 million (FY23: £23.4 m)**

Statutory profit before tax to be **comfortably above £2 million** and materially ahead of pre-January 24 consensus (FY23: £0.7m)

Under the Hood...

What's Working Well



We are delivering what we set out in the strategic review



**Customer
Focussed**

1



Predictive

2



**Product
Expansion**

3



Partnerships

4



**Winning in
America**

5



**Winning
Customers**

6

1 Focussed on **Customer**



**Product &
Platform**



Fame



**Go to
Market**



**Service
Model**

2 We continue to invest in being **the most predictive**

A white circular icon containing a magnifying glass over a heartbeat line.

Data Quality

A white circular icon containing a checkmark inside a gear-like border.

New Validations

A white circular icon containing a magnifying glass over a person silhouette.

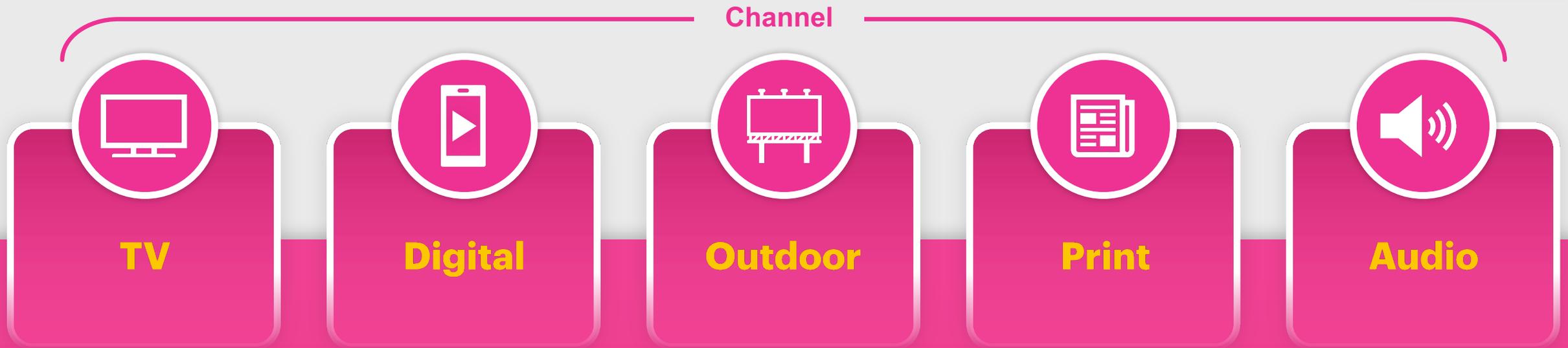
Largest Customers

3

We have built out **new product channels** across the **marketing funnel** including digital



Product Expansion



Storyboarding



Offline Edits



Finished Film

4

We are **expanding our partnership base** to successfully launch our products, grow our fame and win new customers



Partnerships

Existing Clients



Test Your Ad

TV

itv



globo

group^m nexus



Test Your Ad

Digital



Pinterest



Teads^{.tv}



Test Your Ad

Outdoor | Print

JCDecaux



Test Your Ad

Audio

**More to
come...**

4

We are **expanding our partnership base** to successfully launch our products, grow our fame and win new customers

One of the leading ad-supported broadcast & cable networks in the US

ROKU
AARDMAN
FUSE



★ Test Your Ad

TV

itv



globo

group^m nexus



★ Test Your Ad

Digital

Pinterest



Teads^{tv}



★ Test Your Ad

Outdoor | Print

JCDecaux



★ Test Your Ad

Audio

More to come...

New Clients



Partnerships



radiocentre

5

We are growing in the USA - We work with 5 of the top 10 USA advertisers



Winning in America

Rank	Parent Company	Ad Spend June '23 (\$m)
1		109.3
2	abbvie	81.4
3		52.8
4		47
5		44.4

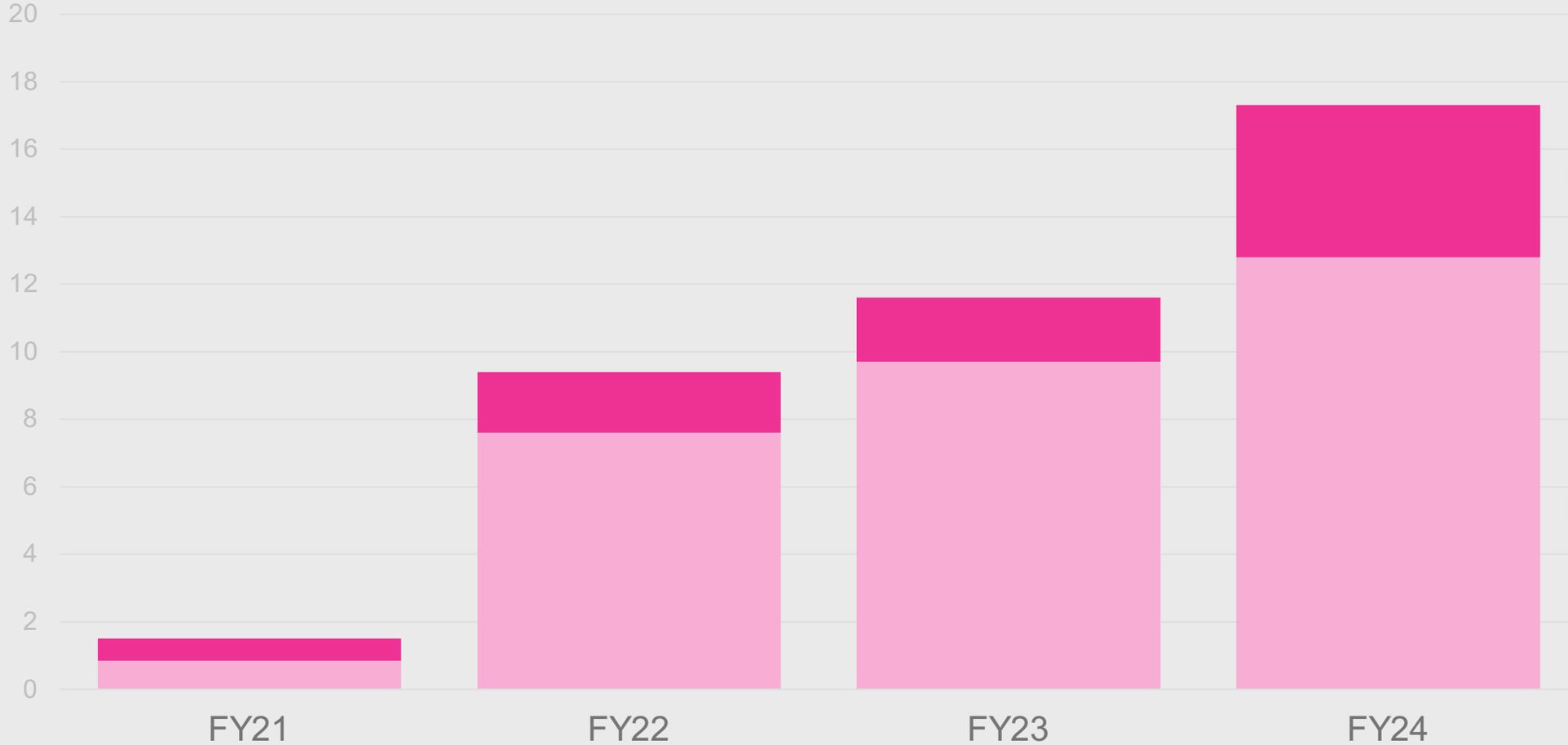
Rank	Parent Company	Ad Spend June '23 (\$m)
6		38.5
7	Alphabet	38
8		34.1
9		33.7
10		31.9

6

We are increasing both new client wins and retention rates



Platform Revenue (£m)
All years Q1-Q3



New Client Revenue
+237%
Q1-Q3 FY24 YoY

Existing Client Revenue
+32%
Q1-Q3 FY24 YoY

Existing Client Revenue New Client Revenue

My personal reflections



**Customer
Centric**

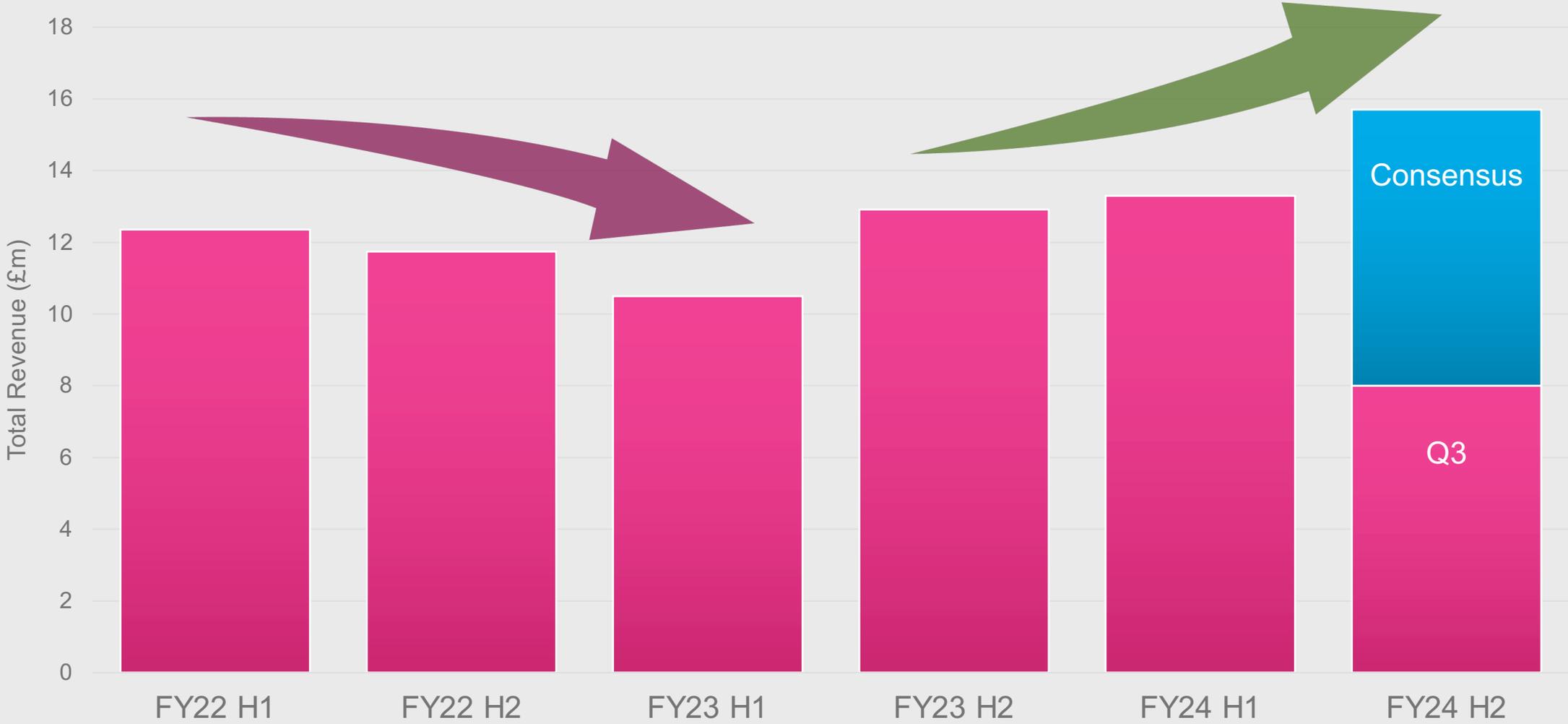


Team | People



**Focus on
the Plan**

All of which is resulting in us **consistently delivering growth**



**...but we haven't scratched the
surface of where we could get to...**

System1

3 Reasons to Believe



**Innovation
(Idea Testing)**



USA



**World's Largest
Advertisers**

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

Total Addressable Market

\$20.43bn

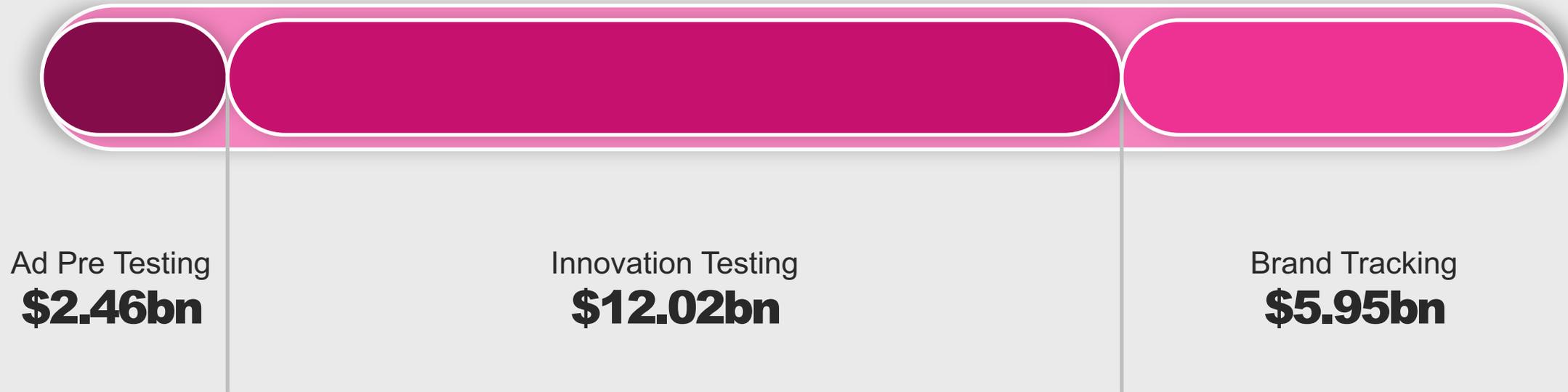
Total Market

\$129bn

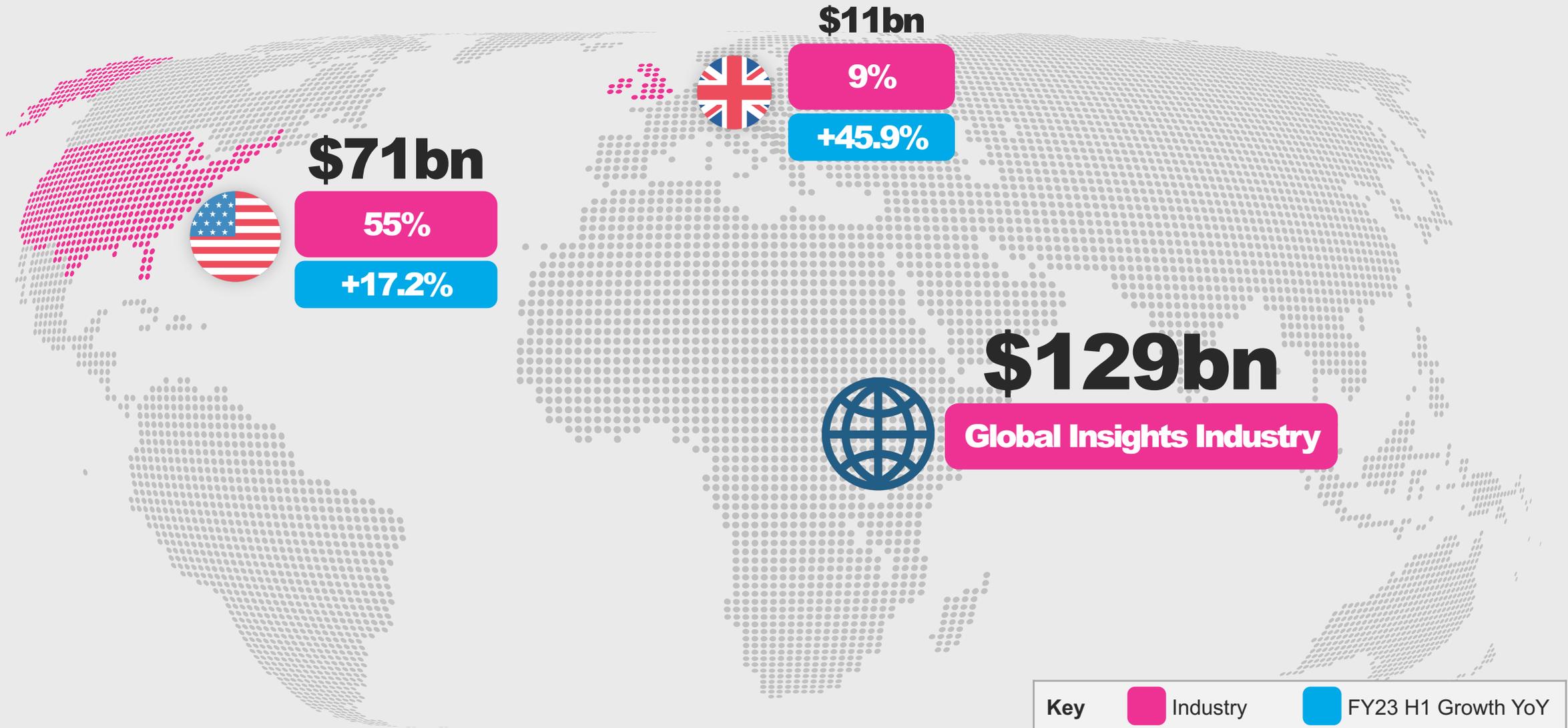


There is massive headroom in the pre-testing market and we are playing in growth areas

Total Addressable Market
\$20.43bn



We are focussed on Winning in America



We are targeting the world's largest advertisers who account for the majority of marketing spend



System1

Robyn Di Cesare

Chief Product Officer



Customer is at the heart of our focus



Now



Next



Future



Now

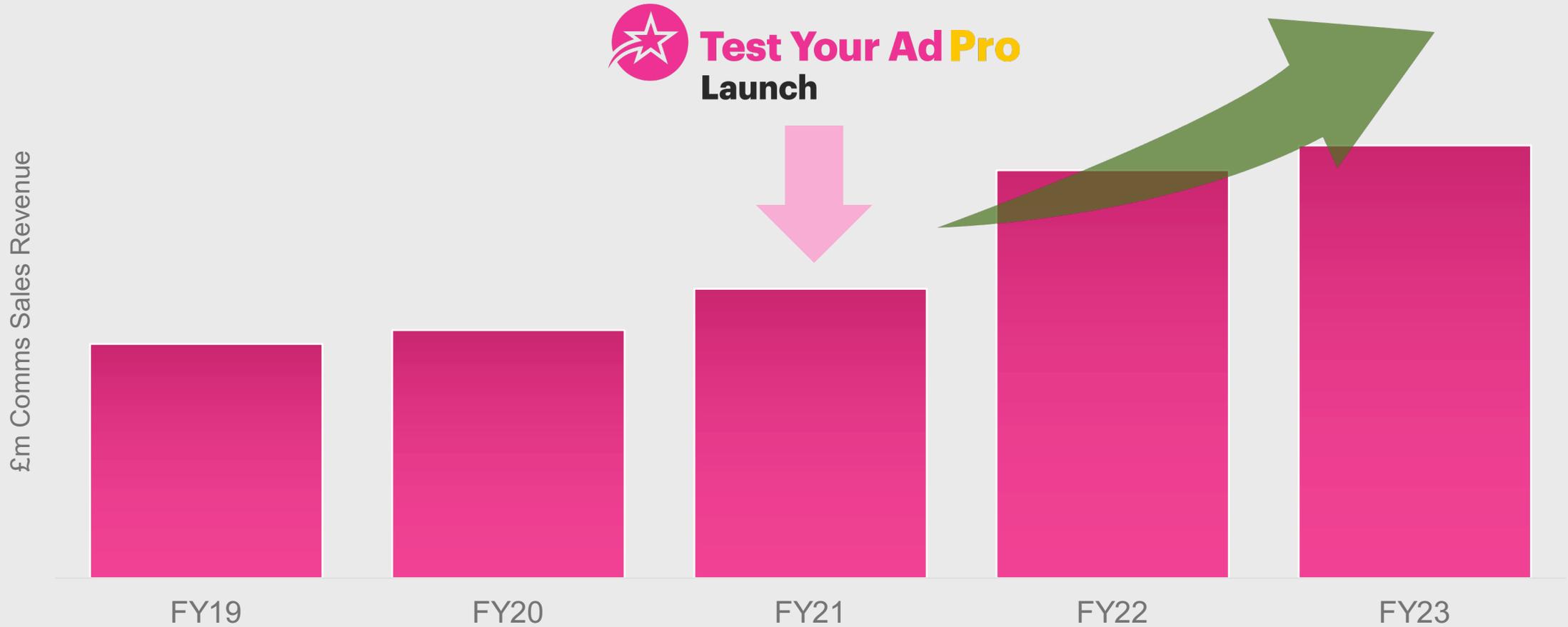


Next

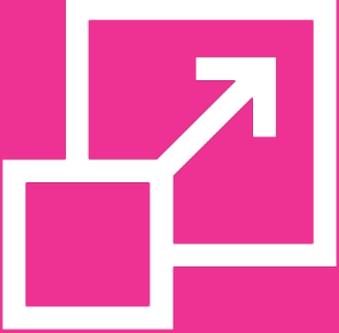


Future

Our growth has been driven by TYA; with **TYA Pro** supercharging our growth



'Flexibility' is consistent feedback we receive from customers and prospects



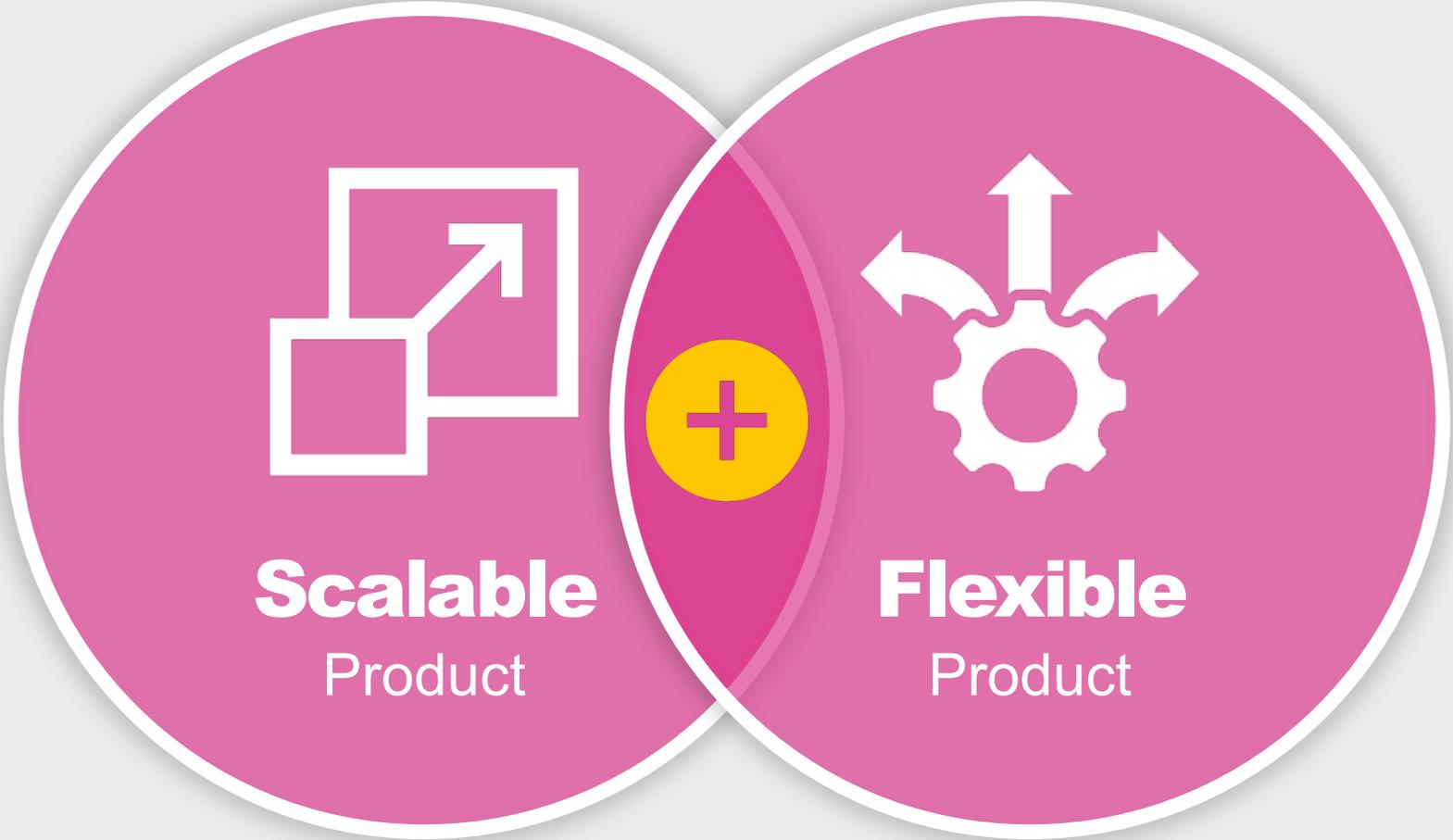
Scalable
Product

The icon for 'Scalable Product' features a white square with an arrow pointing up and to the right, positioned over a larger square, all within a circular magenta background.

Flexible
Product

The icon for 'Flexible Product' features a white gear with three arrows pointing outwards (up, left, right), all within a circular magenta background.

We have recently launched **TYA Pro+**



Providing our clients with product tiers to meet their needs



 **Test Your Ad**



 **Test Your Ad
Essential**

Predictive Metrics



 **Test Your Ad
Pro**

Rich Diagnostics



 **Test Your Ad
Pro+**

Flexible Questions



Test Your Ad Pro+ provides customer with flexibility



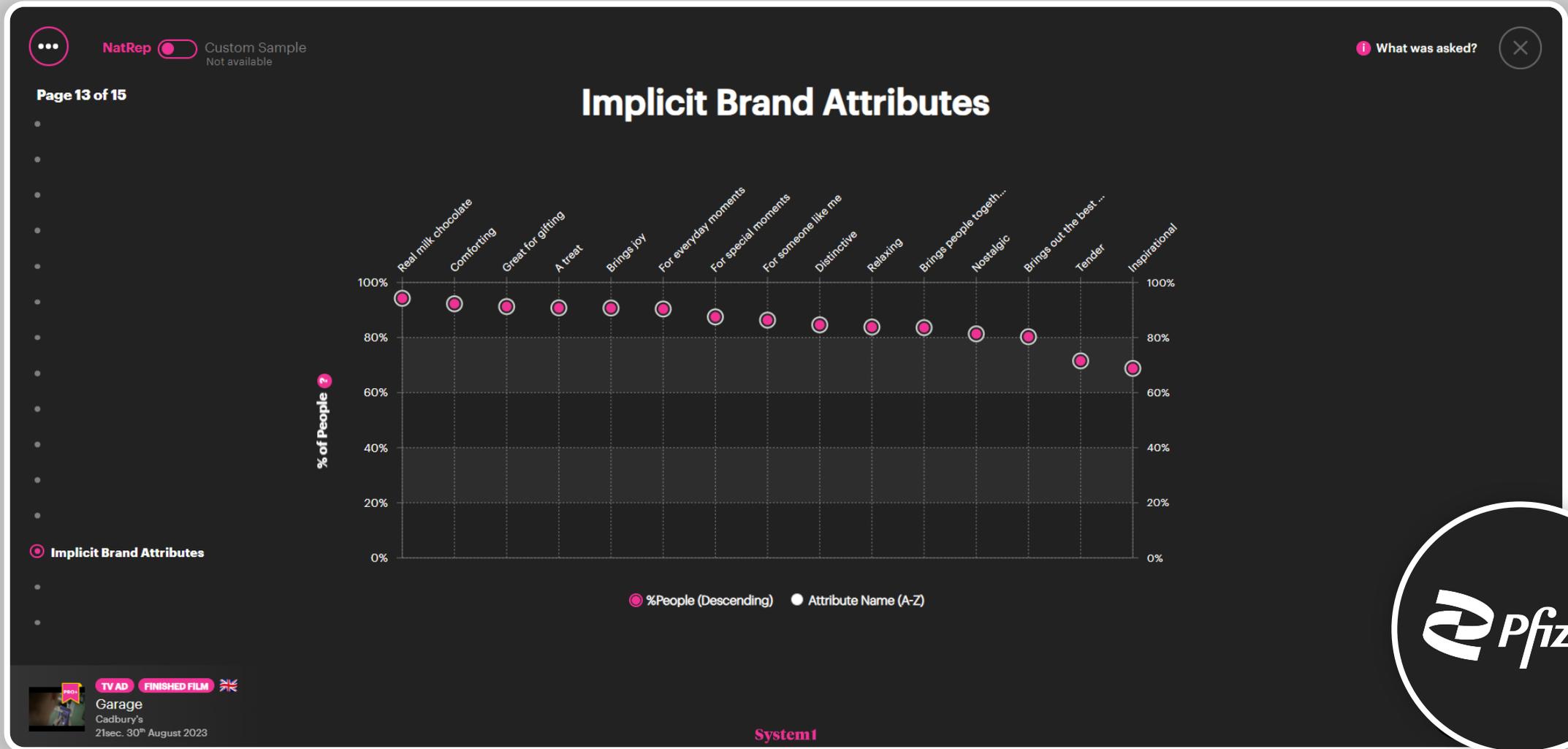
Optional and accessory wheels

16" 5-spoke alloy wheel (Option and accessory)	16" 6-spoke alloy wheel (Option and accessory)	17" 5-spoke alloy wheel with machined rim (Option and accessory)	17" 5-spoke alloy wheel (Accessory)	17" 7x2-spoke alloy wheel (Accessory)
17" 9x2-spoke 'machined' alloy wheel (Option and accessory) (Not available in other trim as accessory only)	18" 7-spoke 'anthracite/machined rim' alloy wheel (Option and accessory)	18" 7-spoke alloy wheel in either 'silver' or 'machined' finish with chrome centre cap (Accessory)	18" 10-spoke alloy wheel (Accessory)	18" 10-spoke Y-design alloy wheel (Accessory)

Exterior Interior Interior Options Personalisation Accessories Summary

Inspire - Light Duotone Primary Colour Secondary Colour Brogue

Scaleable flexibility is unlocking work with the world's largest advertisers





Now



Next

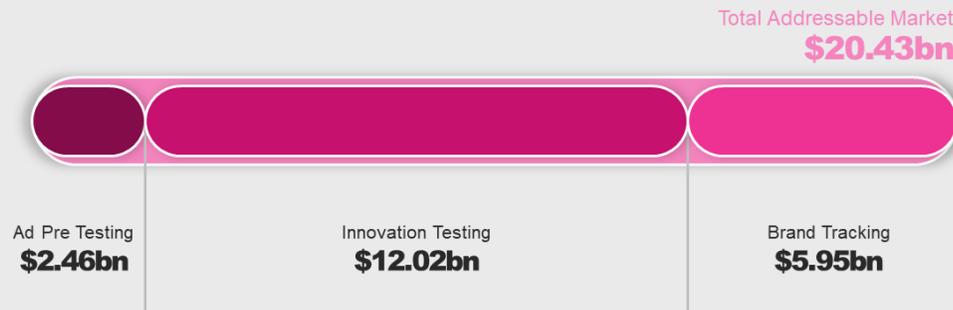


Future

Next we are seeking to maximise the opportunity in Innovation Testing



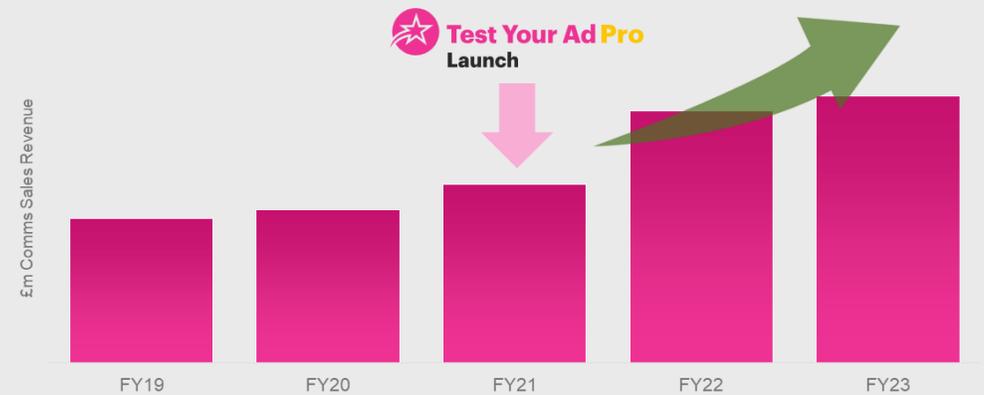
There is **massive headroom in the pre-testing market** and we are playing in growth areas



System1

© System1 Group PLC 35

Our growth has been driven by TYA; with **TYA Pro** supercharging our growth



System1

© System1 Group PLC 43

We are simplifying our innovation offer with the customer at the heart



Five Steps to 5-Star Innovation System1

offer a solution to help you

Create with Confidence

at each stage of the
innovation development process



We'll also apply what we know what works from TYA

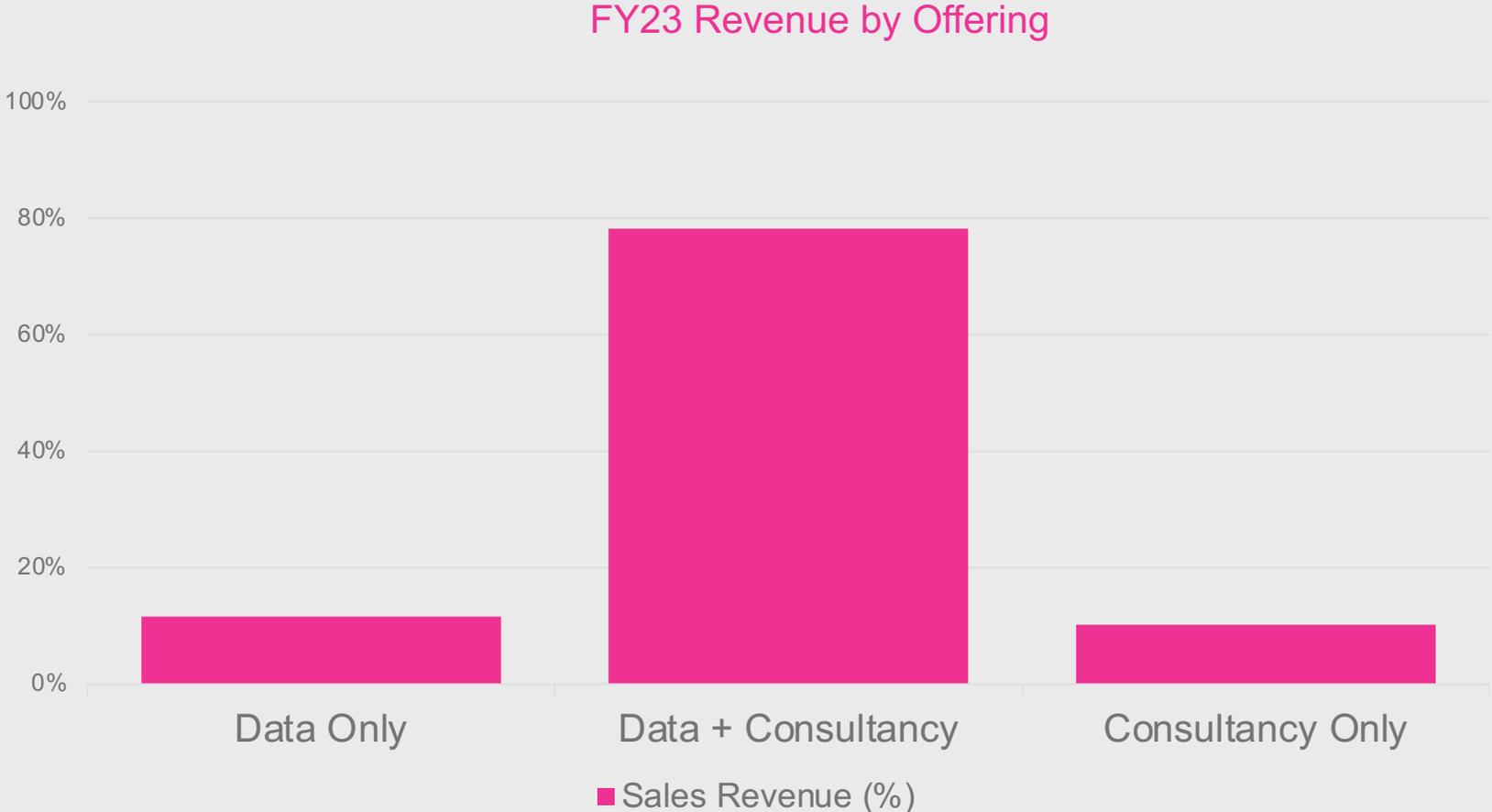
An icon representing scalable flexibility, featuring a square with an upward-pointing arrow and a gear with four outward-pointing arrows, all in white on a pink circular background.

**Scalable
Flexibility**

An icon representing data-led consultancy, showing two stylized figures sitting at a table with two speech bubbles above them, all in white on a pink circular background.

**Data-Led
Consultancy**

Customers buy both our 'Predict your' and 'Improve your' offer





Test Your Innovation

System1

Create with Confidence





Now



Next



Future

...and there's even more to come



Test Your Ad
Premium



Test Your Brand



AI

Delivering against our reasons to believe



**Innovation
(Idea Testing)**



USA



**World's Largest
Advertisers**

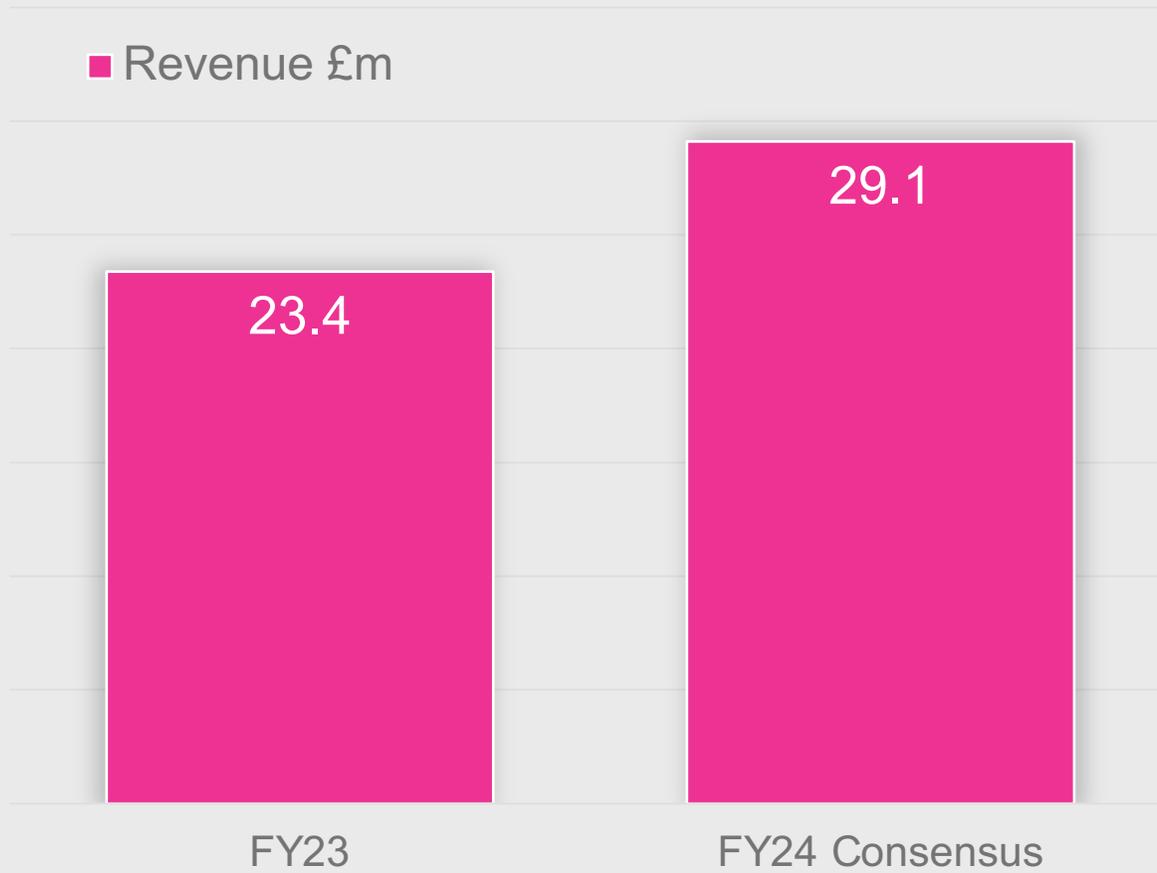
System1

Chris Willford

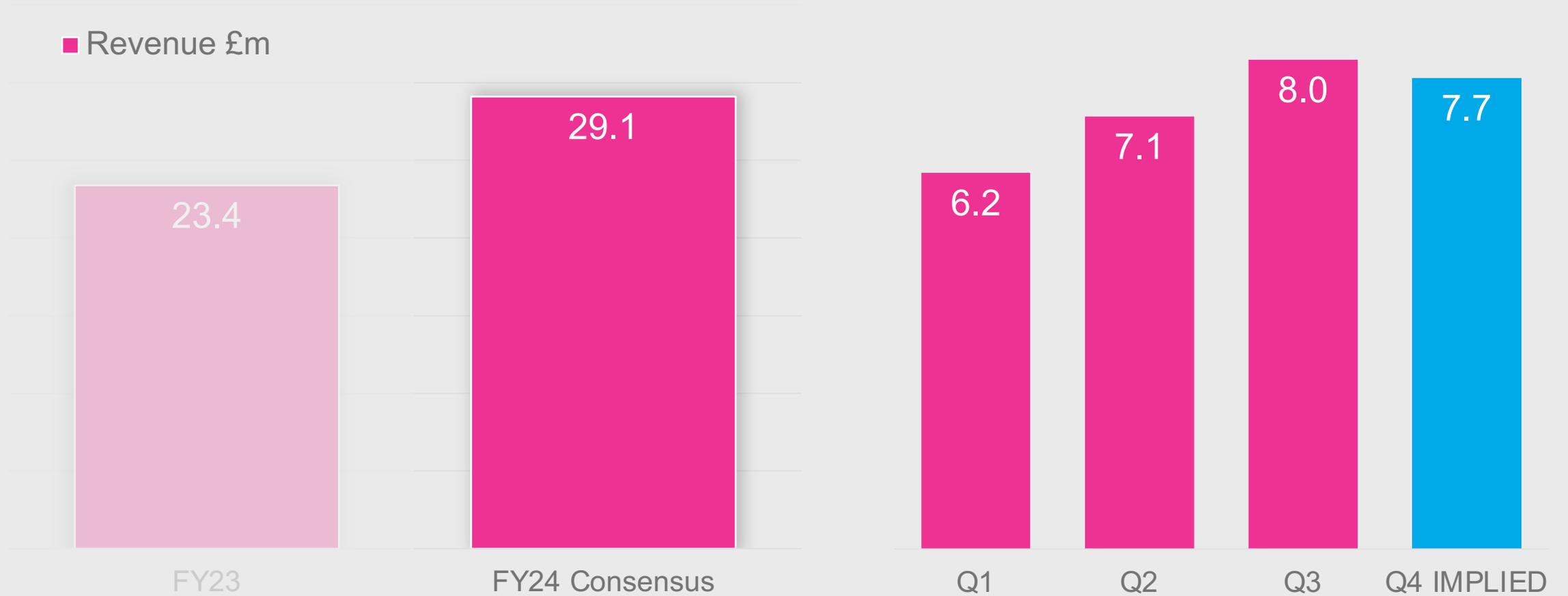
Chief Financial Officer



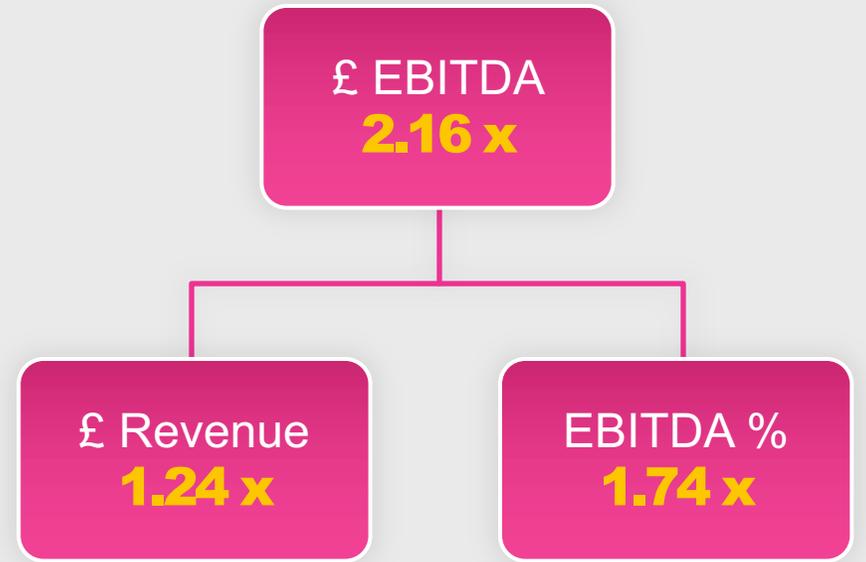
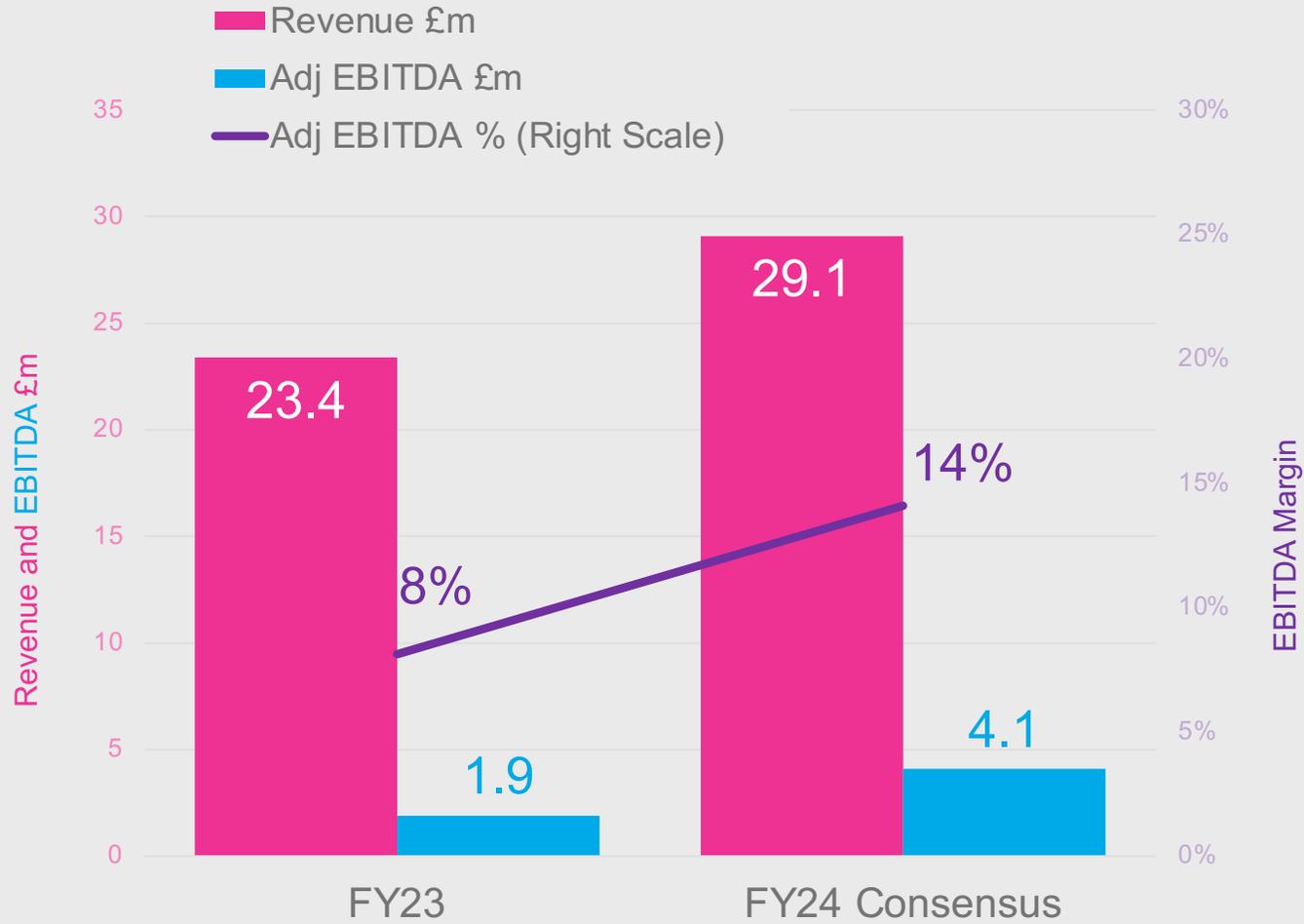
Full year expectations | Consensus Revenue at least £29 million



Full year expectations | Consensus Revenue at least £29 million



Scaling effect has kicked in



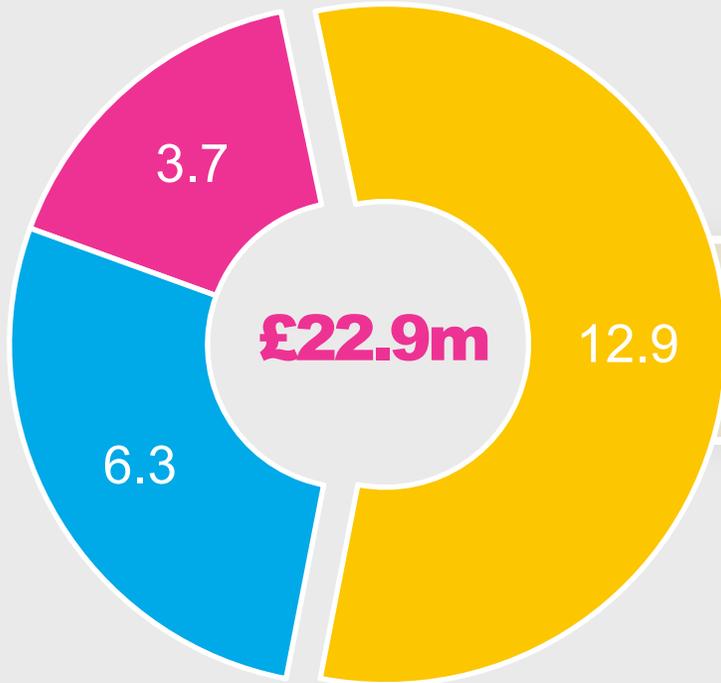
...and we believe we are on track to meet our medium-term goals

KPIs	H1 FY24	Goal at Scale
Platform Revenue % total Revenue	82	95%
Platform Revenue growth %	44	10-20%
Gross Profit % Revenue	87.8	>85%
Adjusted EBITDA % Revenue	13	>30%
“Rule of 40”	57	>40%

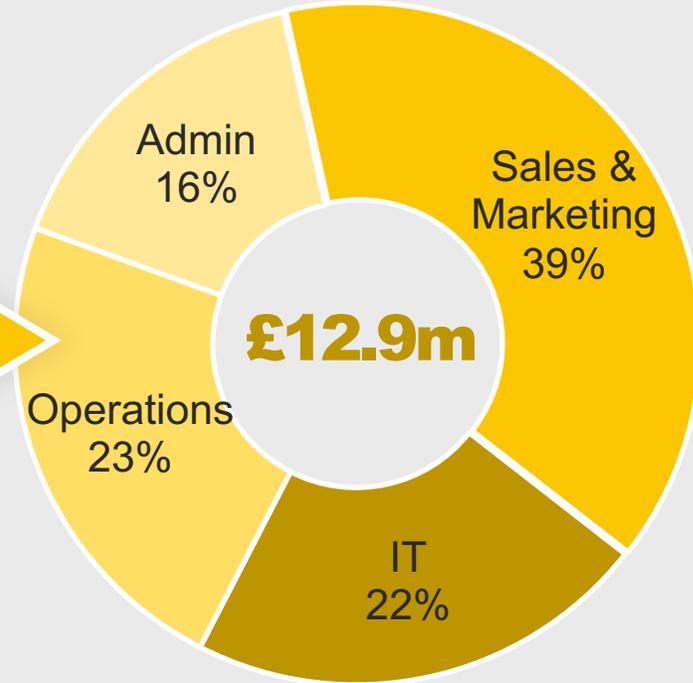
Operational gearing from Platform | Cost base is mainly fixed, mainly people

Only Direct Costs rise in line with Revenue

Expenditure by Type | Statutory



Staff Overhead



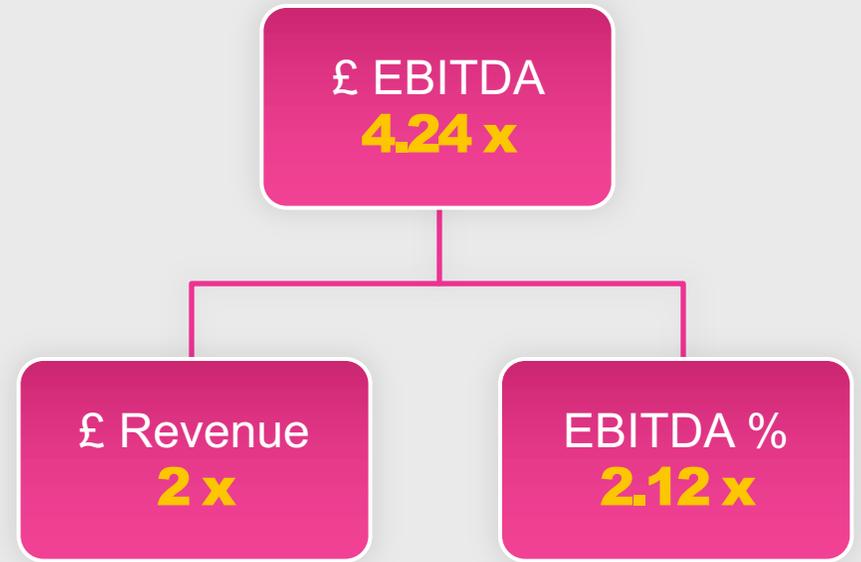
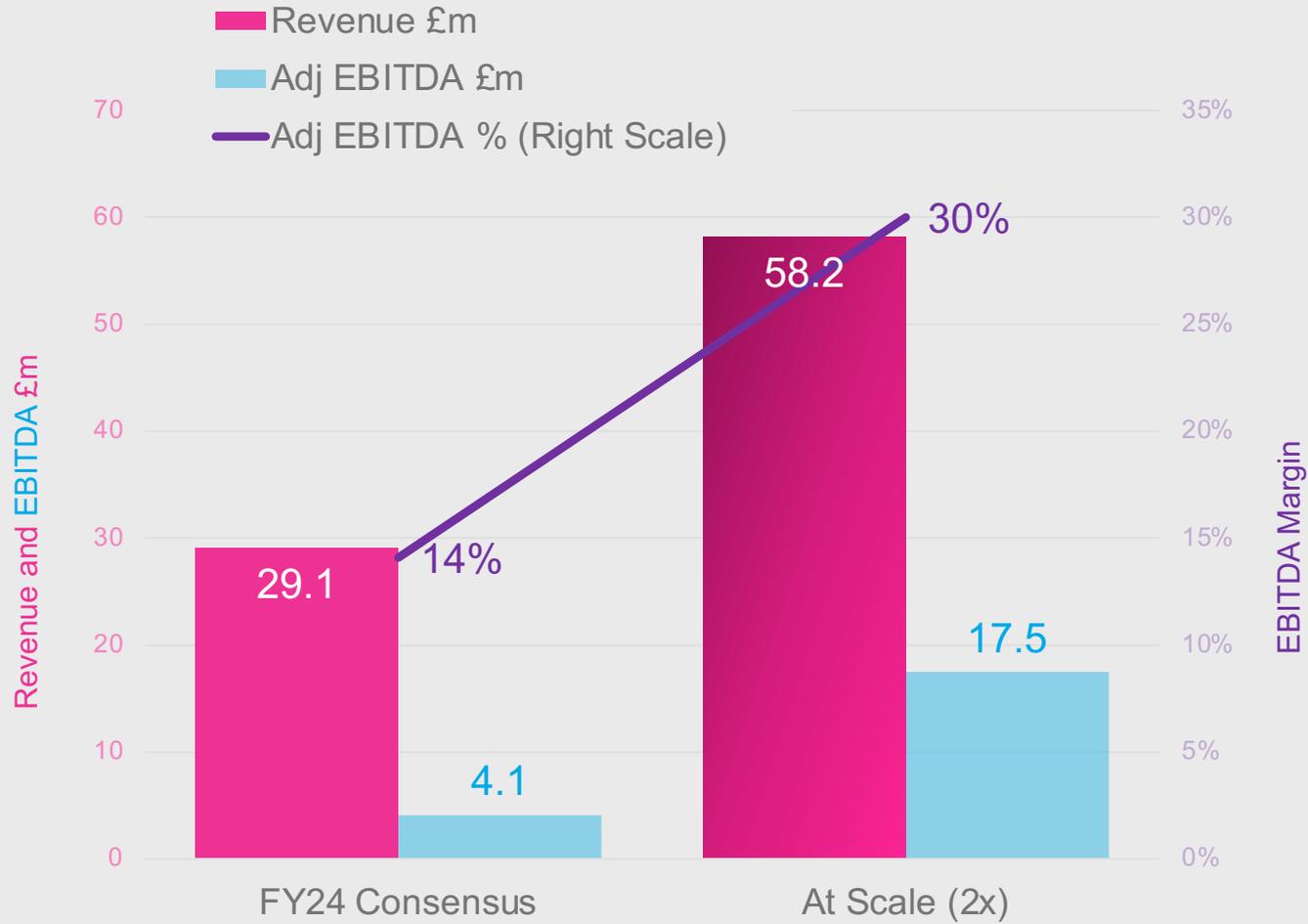
FY23 Data

■ Direct Costs ■ Staff Overhead ■ Non-staff overhead

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 | Illustrative



Summary

-  Platform revenue growing strongly with lots of headroom for future growth
-  Record number of new client wins in FY24 & strong revenue retention
-  Revitalised Innovation proposition coming soon
-  Profit margin trending up due to scalable business model
-  Return to cash generation
-  Relentless focus on execution, with customer-centric approach

Next update end April

System 1

Q&A



System 1

