

Maintaining Momentum

FY24 Results

July 2024

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

James Gregory

Chief Executive Officer

System1





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

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51%

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

95%

of new product launches fail

System 1

predicts and improves marketing effectiveness...



WHO

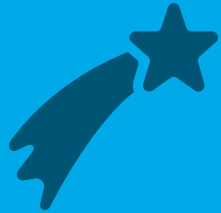
We are a marketing
decision-making platform

WHAT

We predict and improve
marketing effectiveness

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

Data



(Predict Your)

**Data-Led
Consultancy**

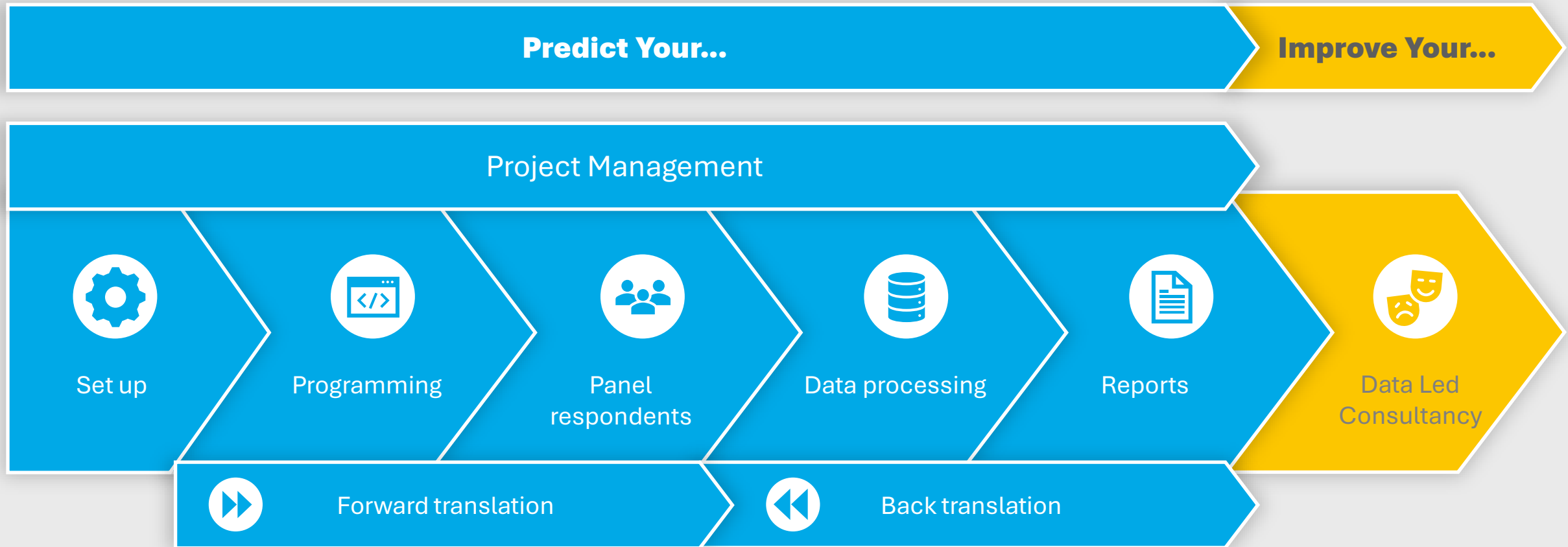


(Improve Your)

**Bespoke
Consultancy**



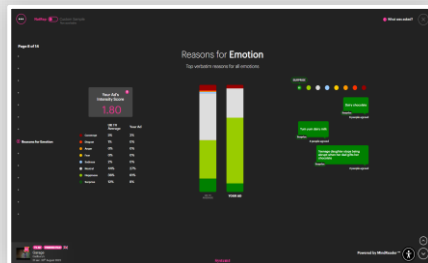
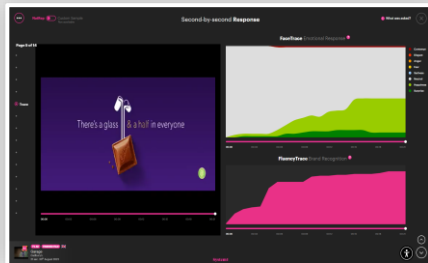
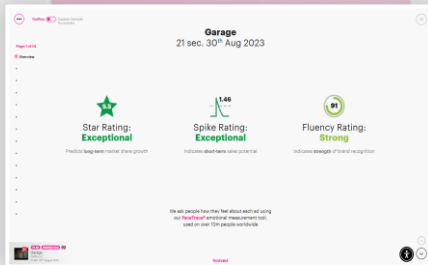
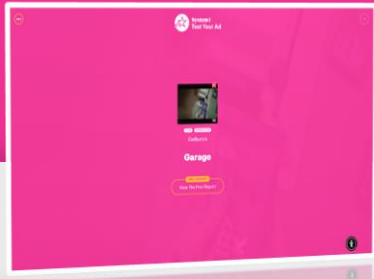
... our predictions (and some improvements) are delivered through an **automated platform** ...



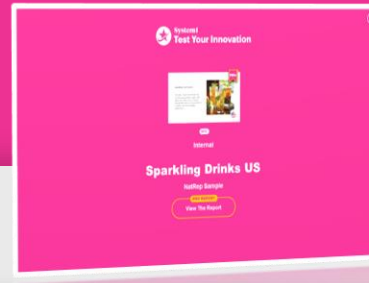
Key: ■ Automated Process ■ Consultancy

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

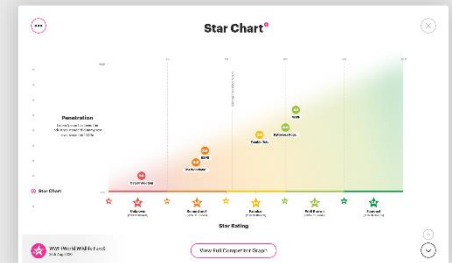
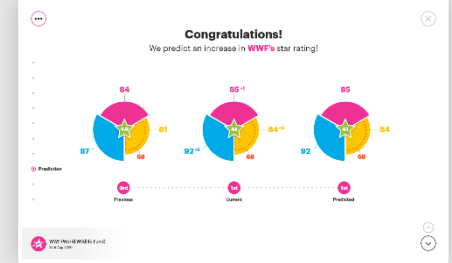
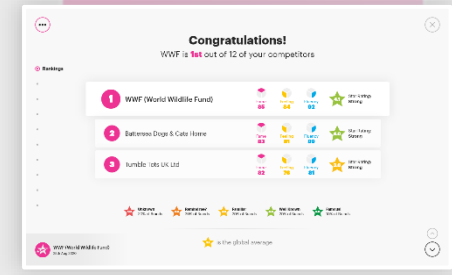
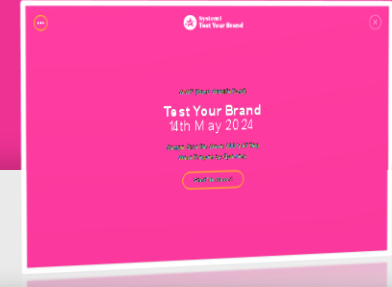
Test Your Ad



Test Your Innovation



Test Your Brand



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



Ads | Brands
Ideas tested

190K+



Survey
Responses

15M+



Emotions measured
through FaceTrace™

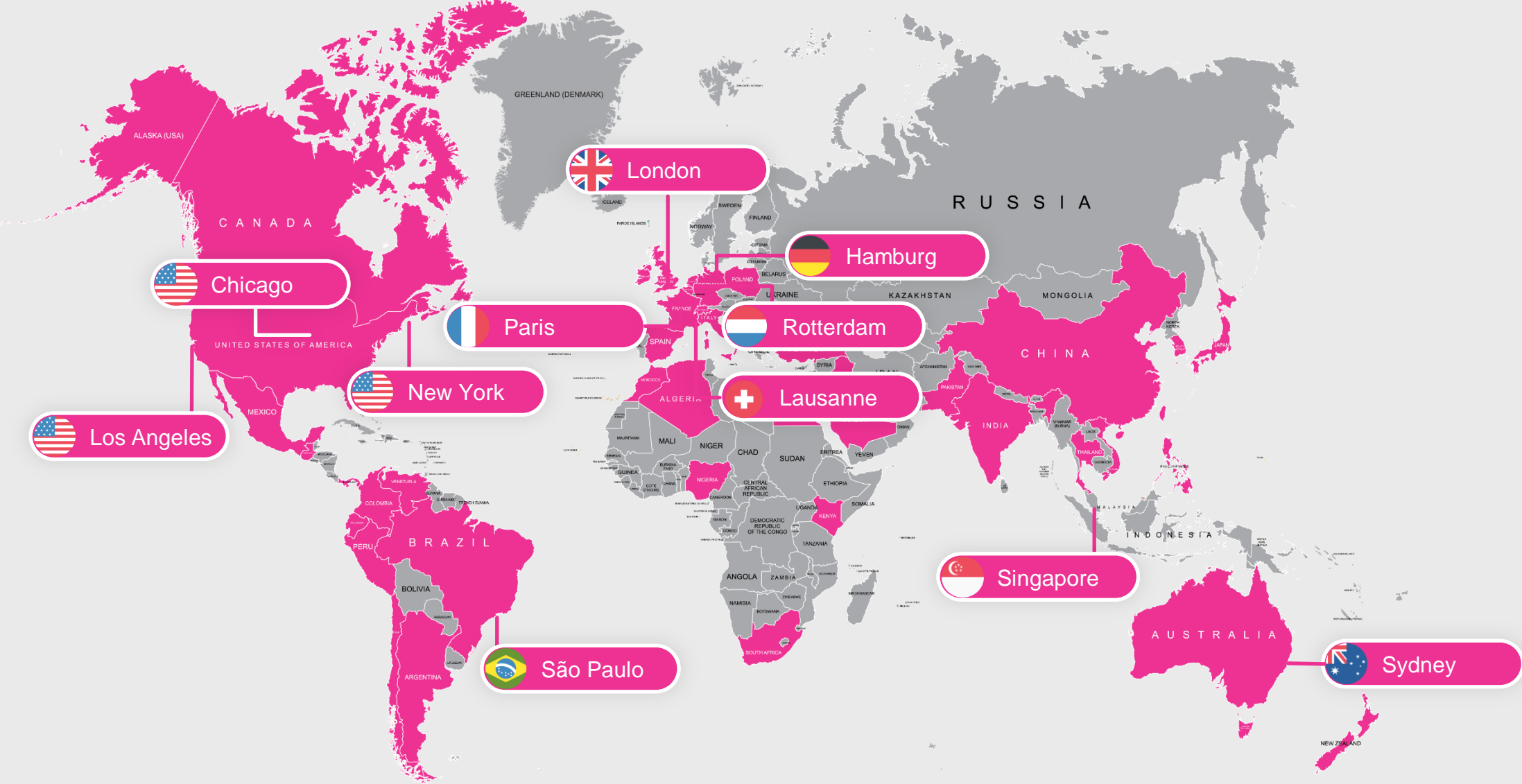
36M



Markets

50+

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



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.

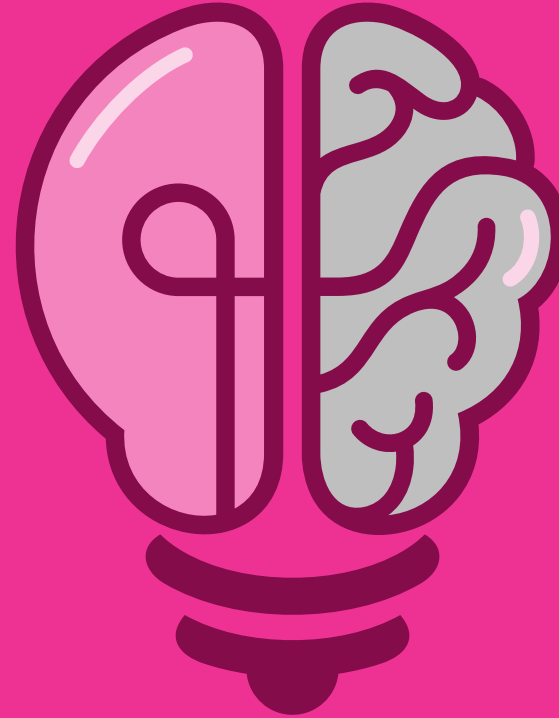
They rely on positive emotions and feelings to make decisions.

And nothing influences positive feeling like creativity.

System 1 Intuition & Instinct



Unconscious
Fast
Associative
Auto Pilot

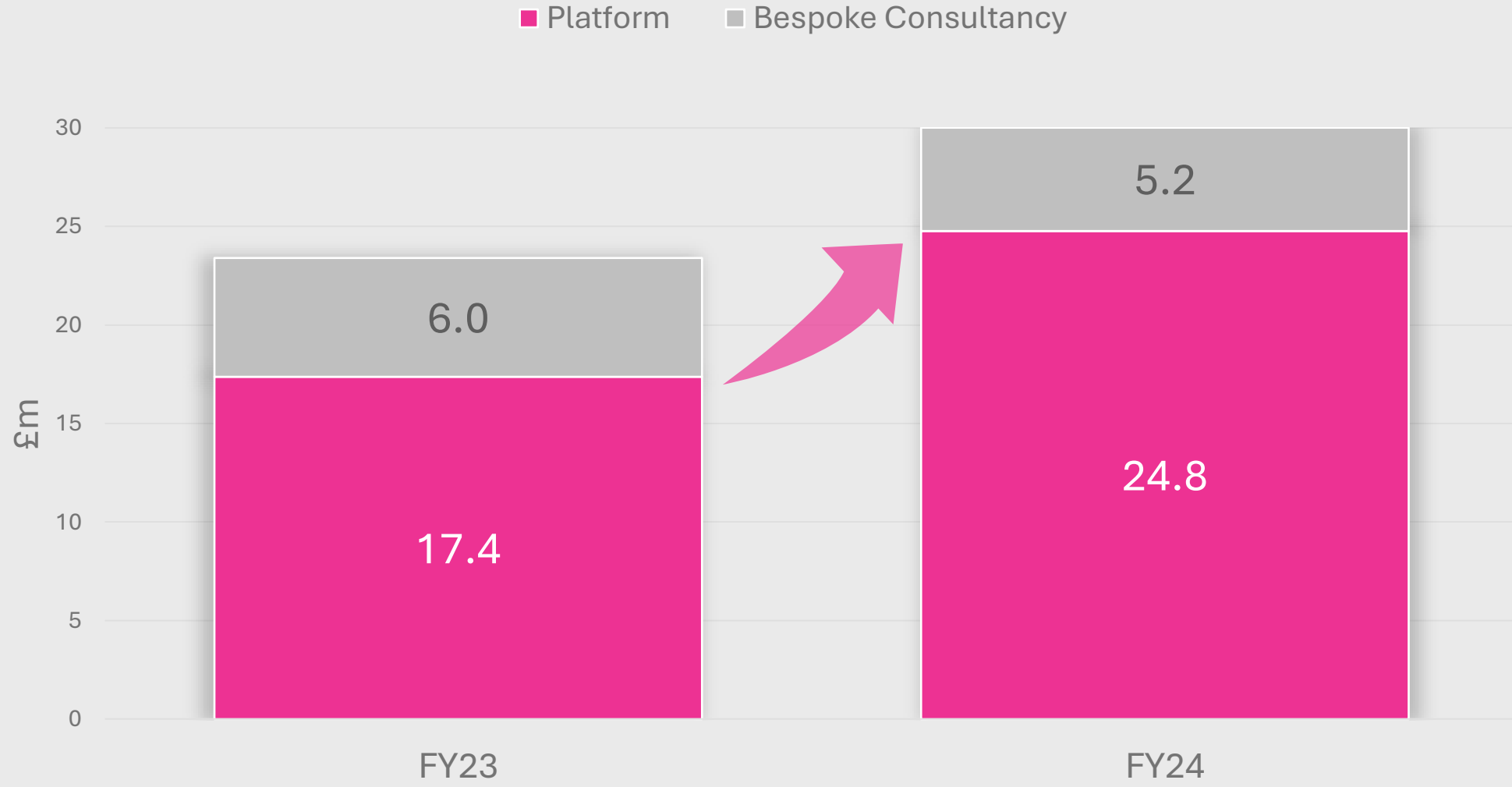


System 2 Rational Thinking

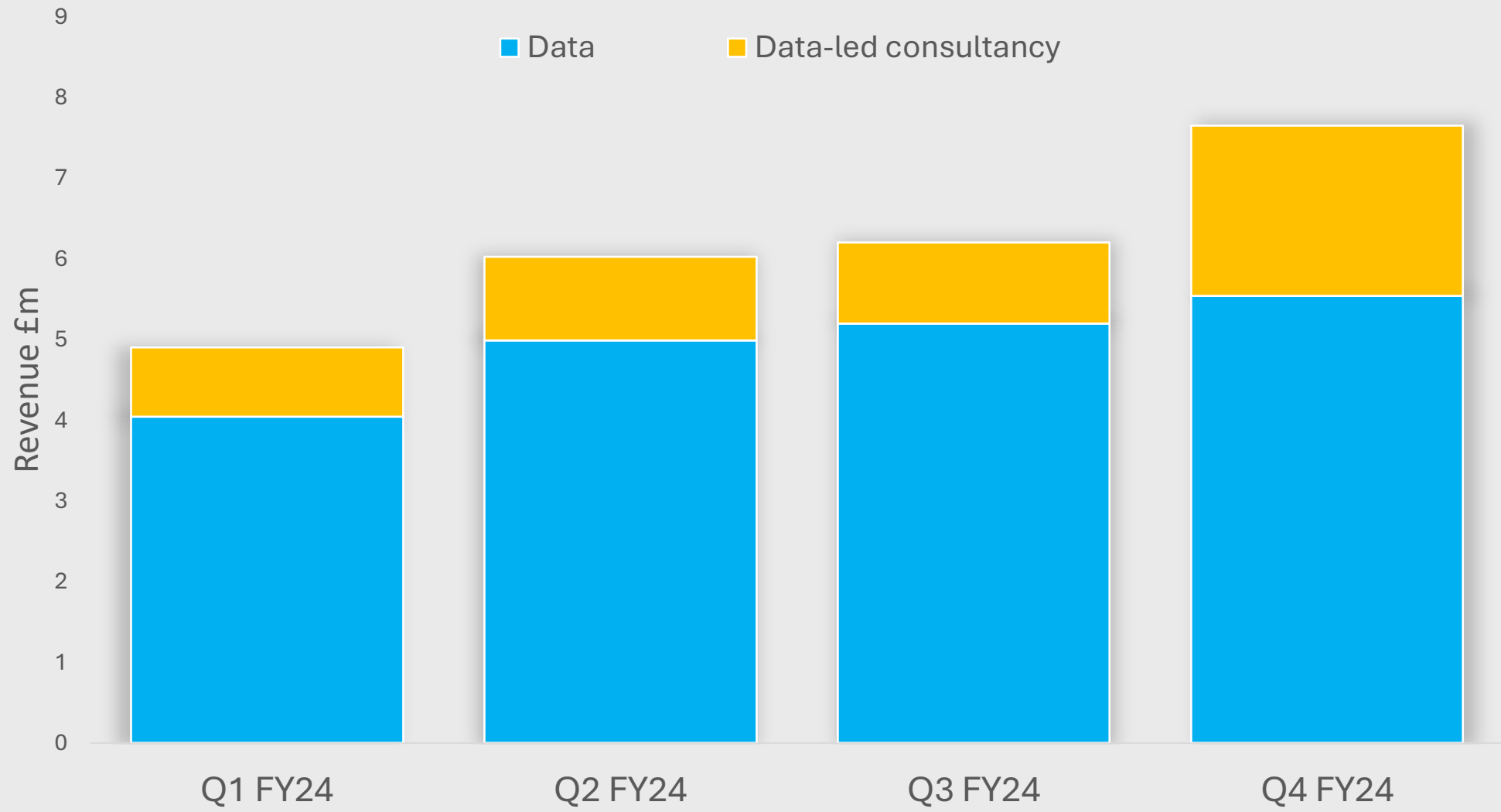


Takes Effort
Logical
Lazy, Slow
Indecisive

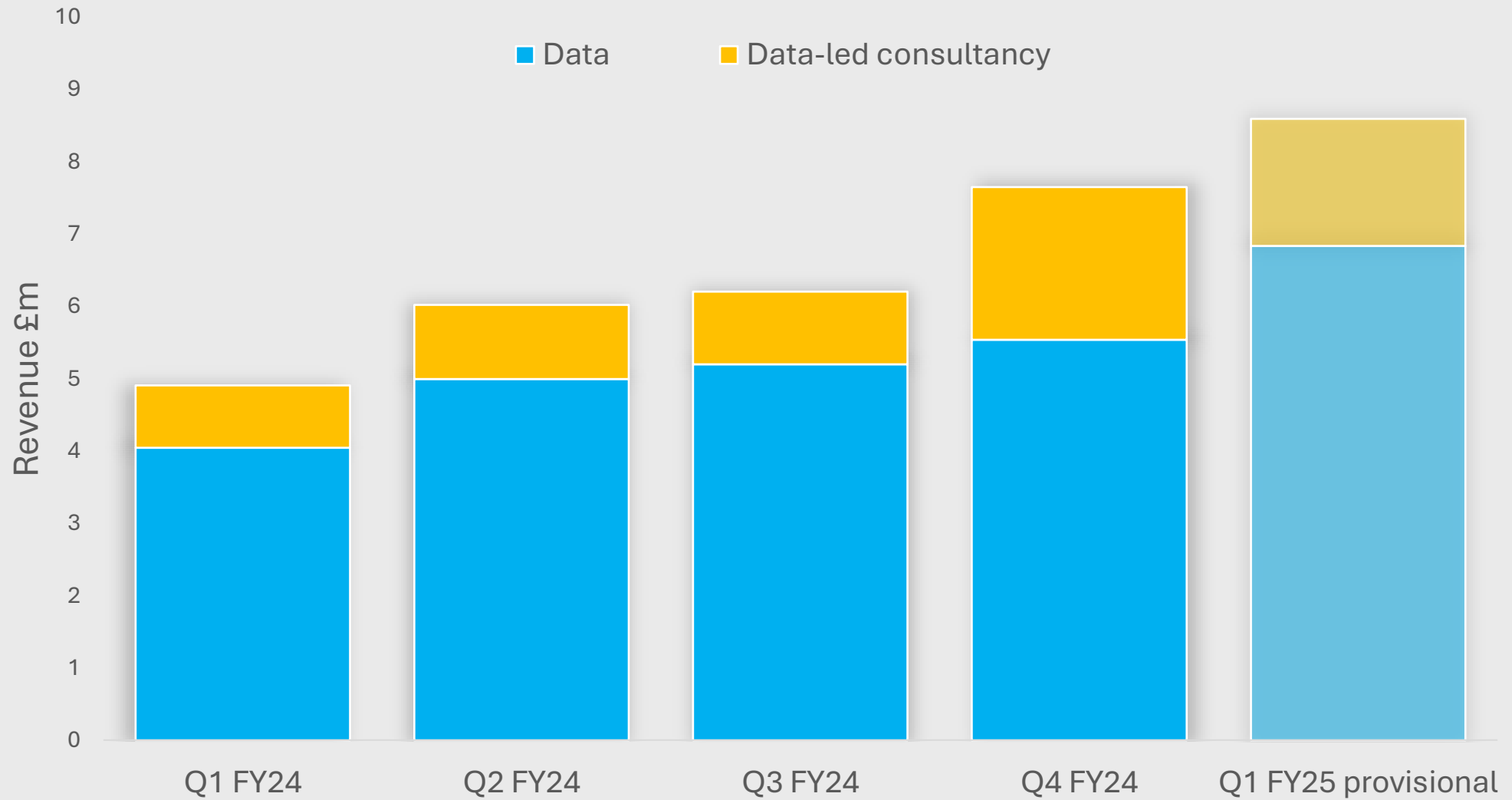
Platform revenue grew year on year driving top line growth



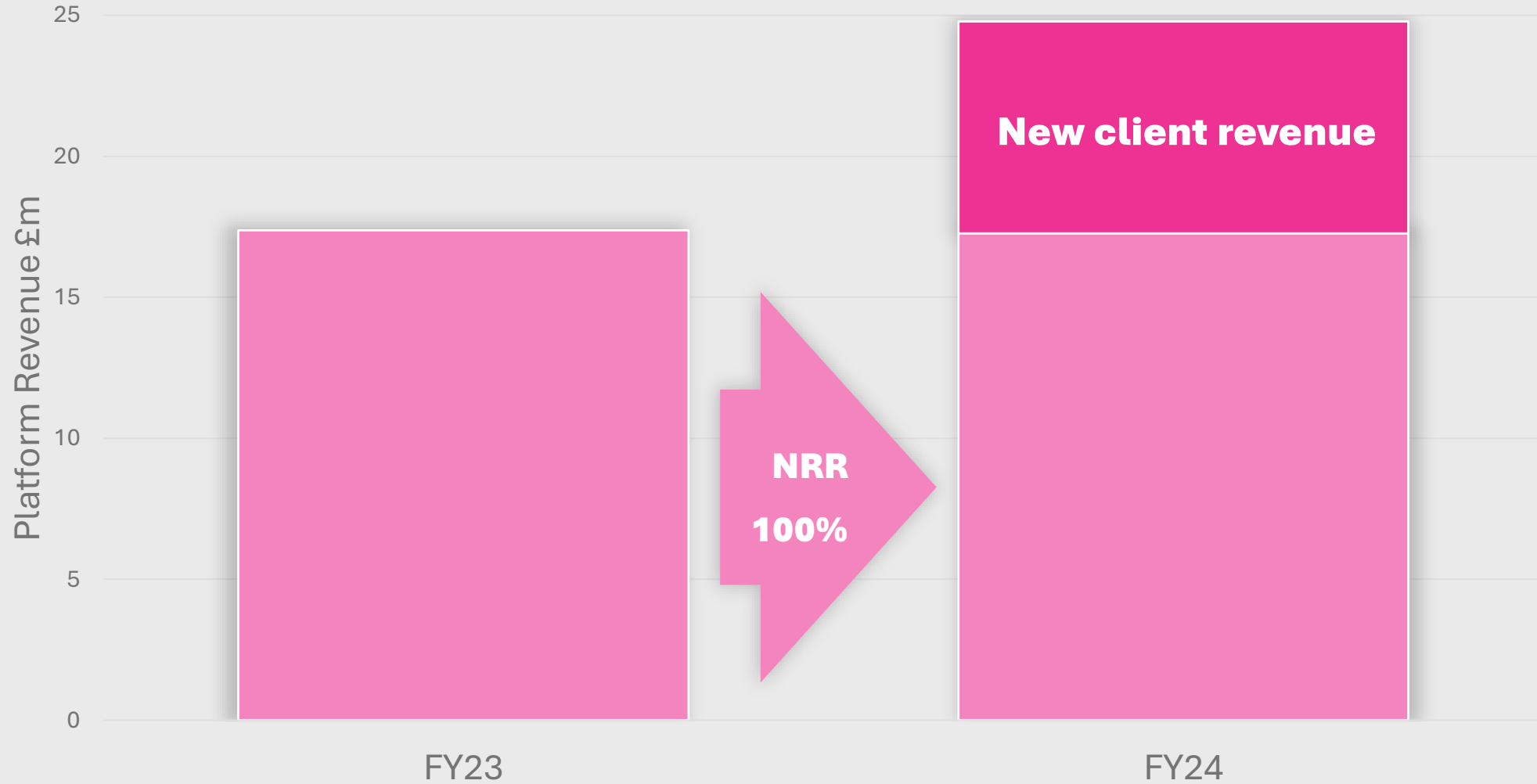
Underpinned by quarter on quarter platform revenue growth in FY24



...which continued in Q1 FY25



We delivered **100% Platform Net Revenue Retention** in FY24



We are growing in the USA & UK

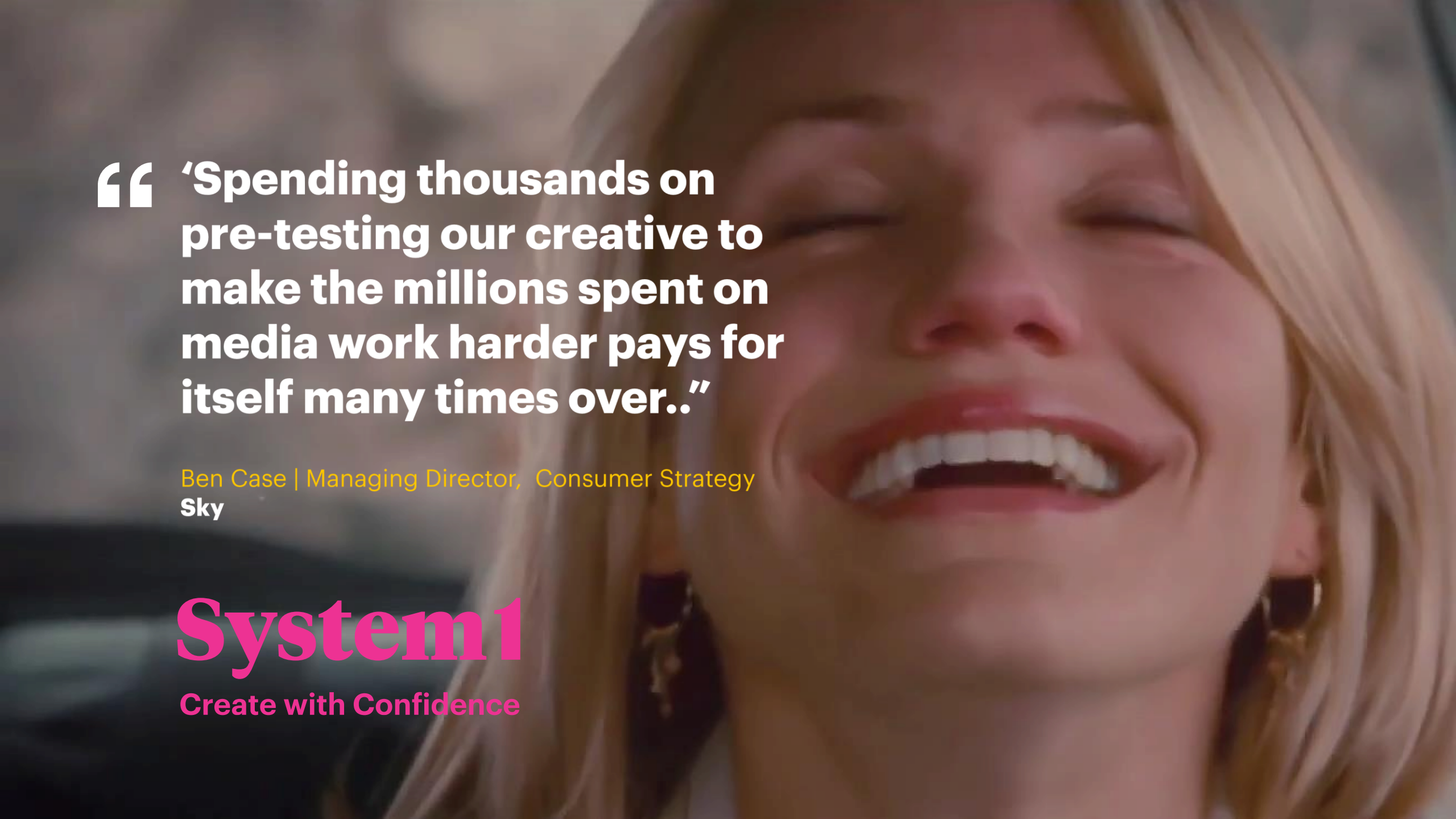
We work with 5 of the top 10 USA advertisers & 7 of the top 10 UK advertisers



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



“ ‘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

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Create with Confidence

Chris Willford

Chief Financial Officer

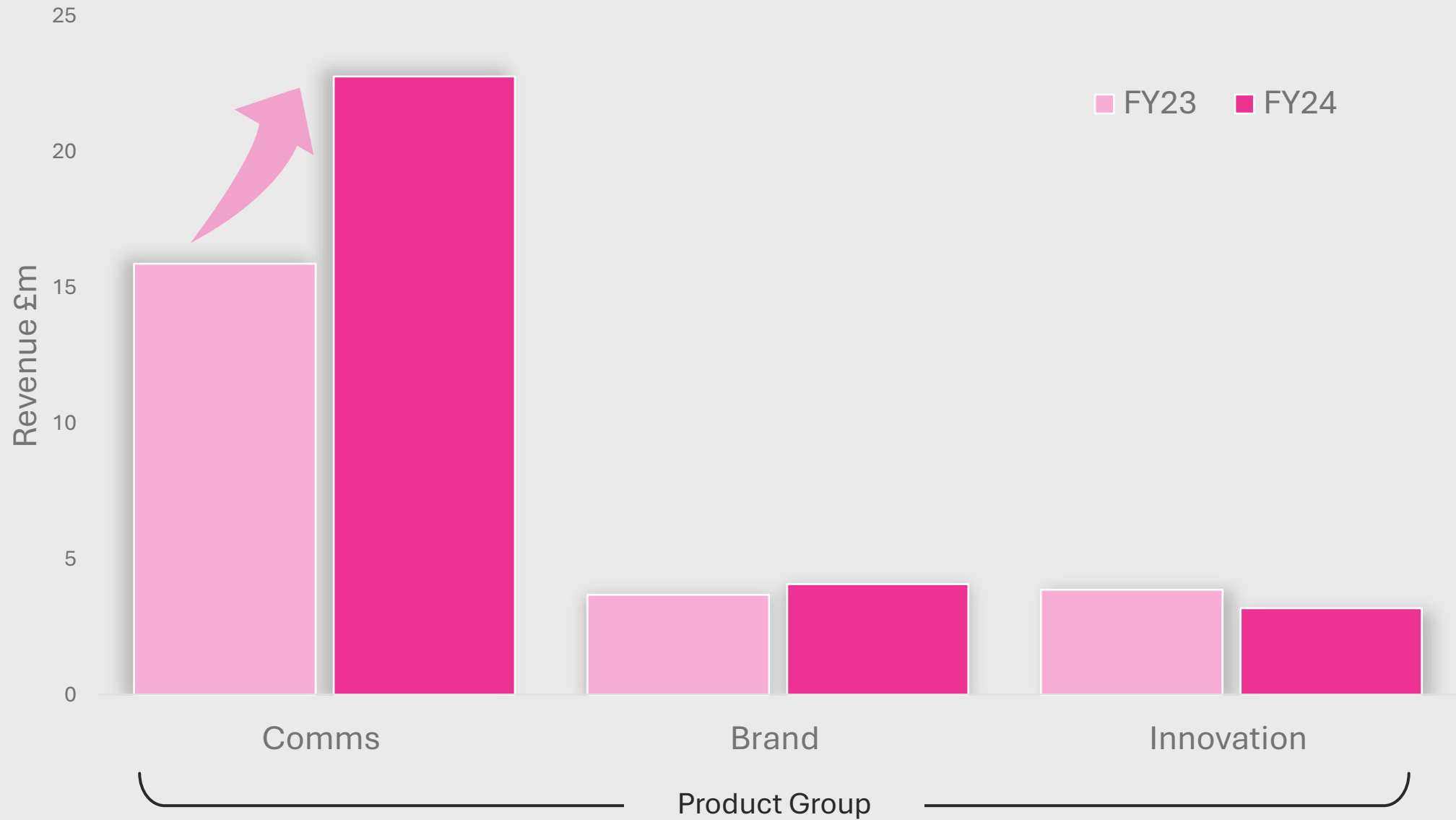
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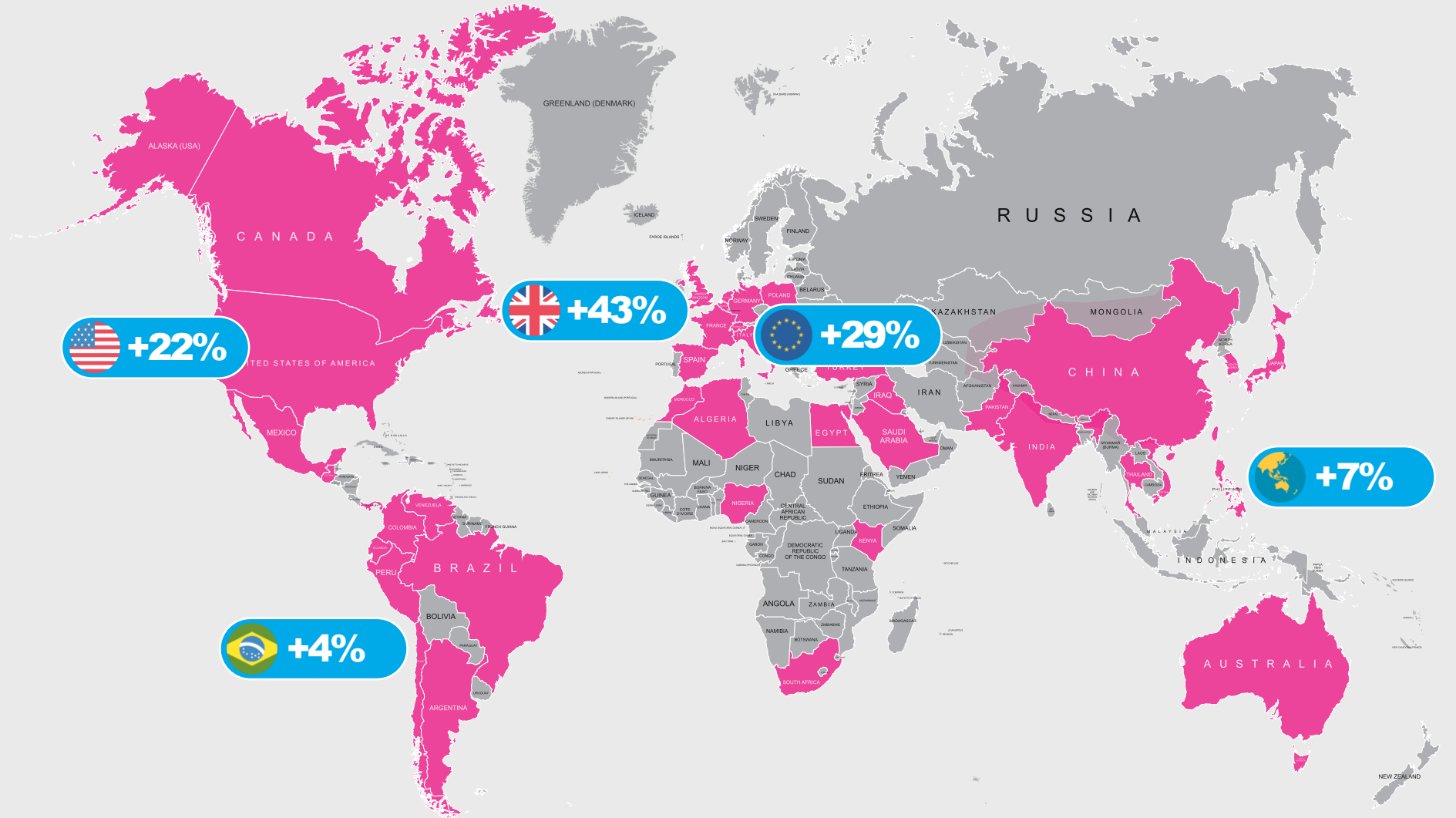
Profit turnaround versus FY23 **shows benefit of our scalable business model**

	FY24	FY23	Change £m	Change %
Platform Revenue	24.8	17.4	+7.4	+43%
Total Revenue	30.0	23.4	+6.6	+28%
Cost of Sales	(3.9)	(3.7)	+0.2	+6%
Gross Profit	26.1	19.7	+6.4	+32%
Statutory Profit Before Tax	3.1	0.7	+2.4	+333%
Profit after Taxation	2.0	0.4	+1.6	+403%
Earnings per share (p)	16.0	3.2	+12.8p	+404%

...with continued **momentum in Ad Testing**



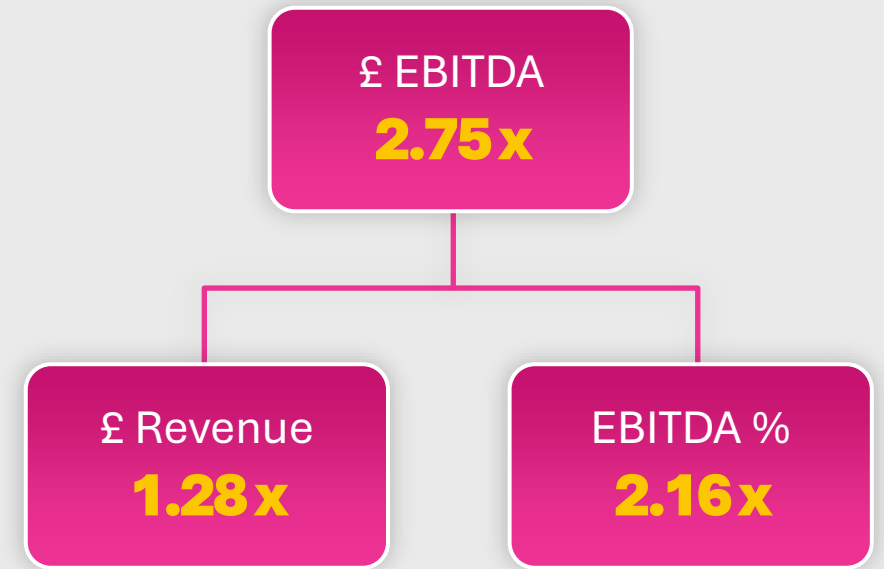
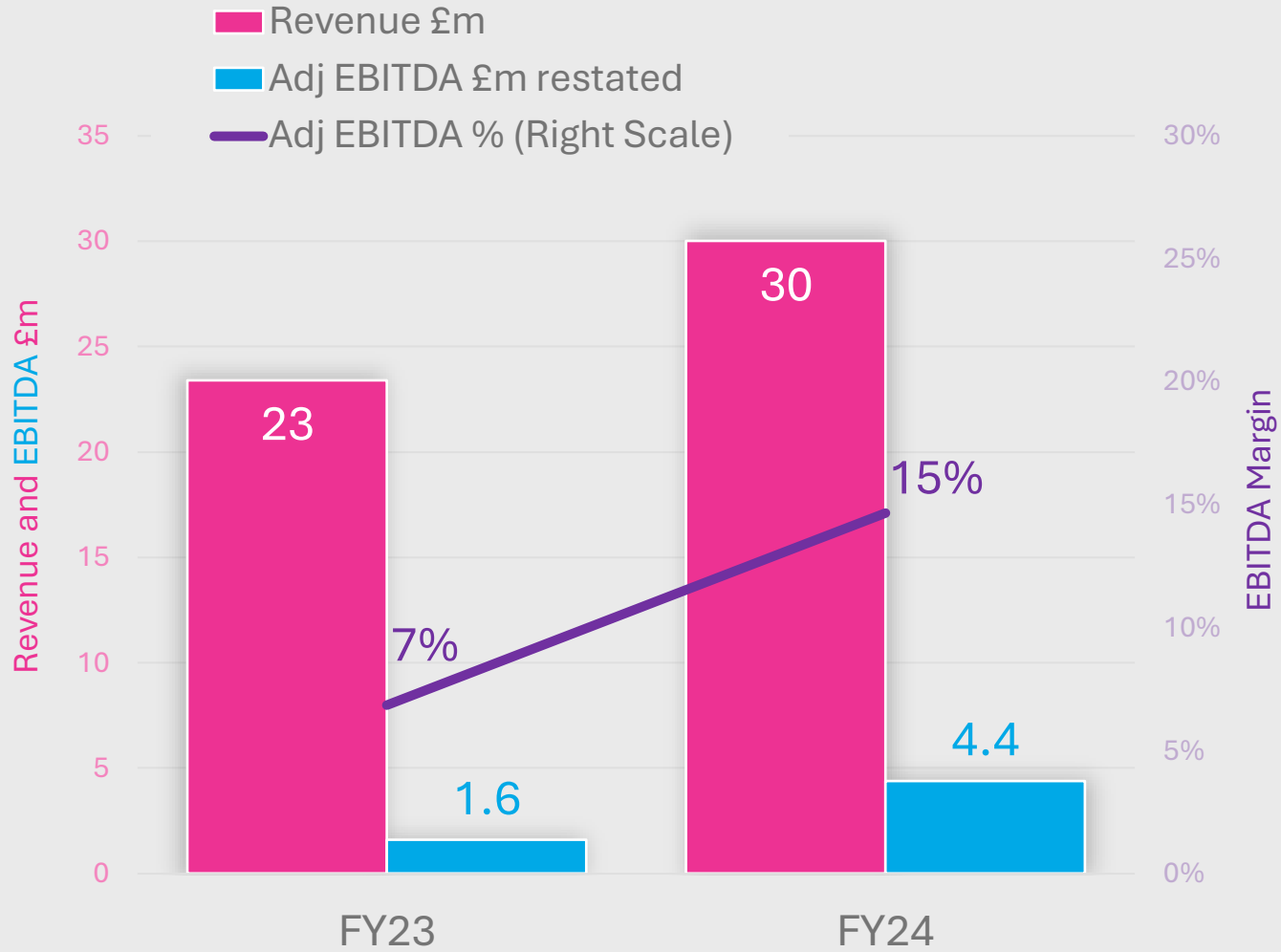
Strong revenue growth in UK, US and Europe in FY24 stabilisation of business in APAC and LatAm



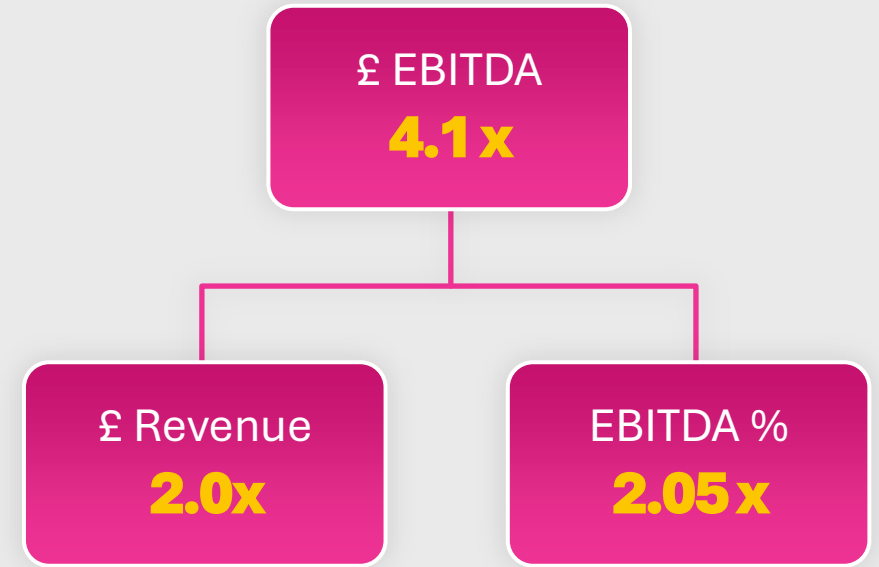
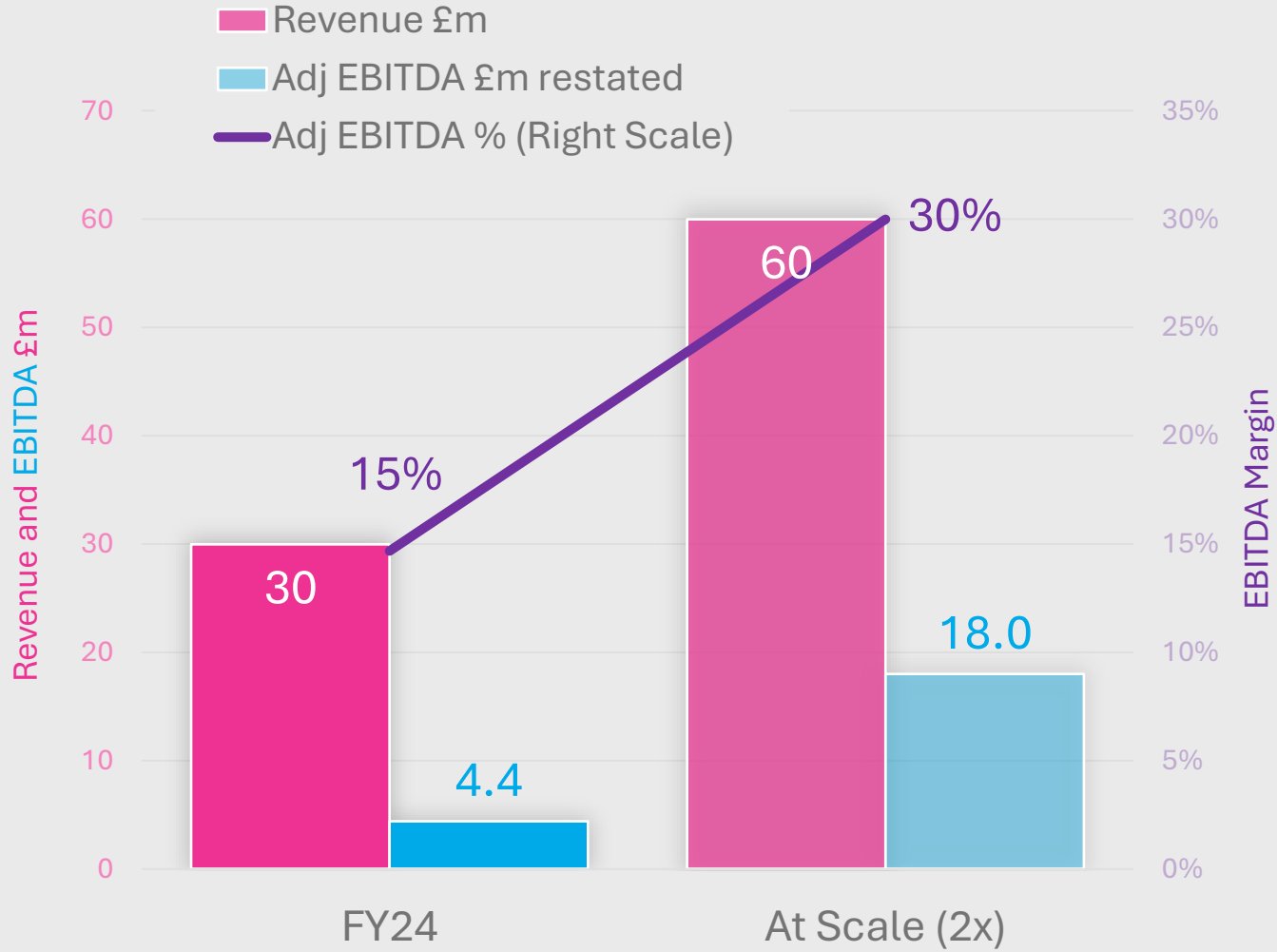
Our Key Performance Indicators **are moving in the right direction**

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

Scaling effect has kicked in FY24 v FY23



The scaling effect to come | Illustrative



...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%

Proposed FY24 dividend 5p per share

£0.64m cash outlay

32% of FY24 PAT

Within **30-40%** policy range

Annual dividend envisaged –
no interim

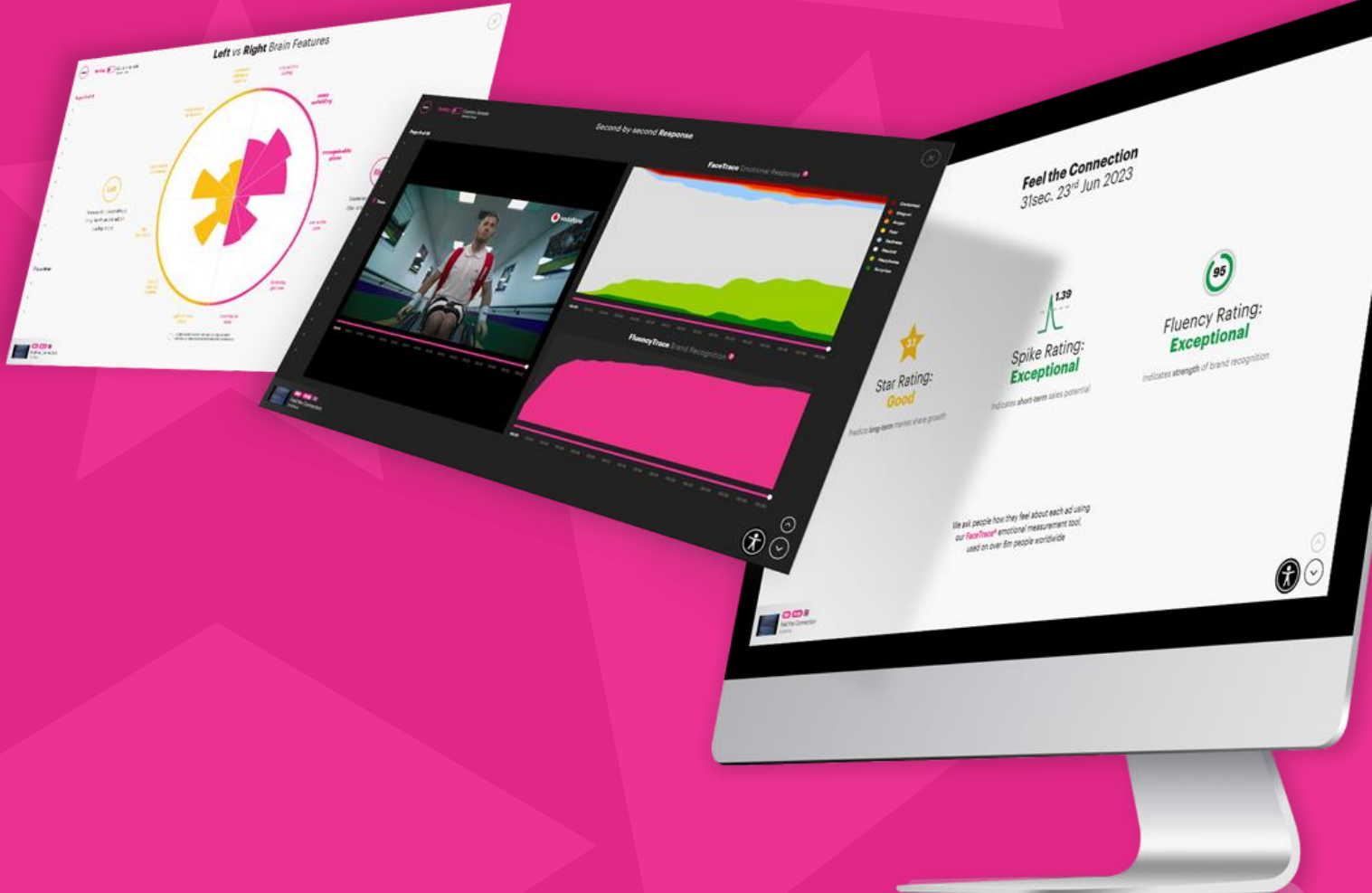
AGM 25 September

Ex date **26 September**

Record date **27 September**

Payment **18 October**

Opportunities Ahead



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There are **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



Ad Pre Testing
\$2.46bn

Innovation Testing
\$12.02bn

Brand Tracking
\$5.95bn

Five Steps to 5-Star Innovation System1

offer a solution to help you

Create with Confidence

at each stage of the
innovation development process

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Test Your Innovation



Innovation
(Idea Testing)



Brand
Positionings



Concepts



Product
Claims



Product
Names



Packs



Logos

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Test Your Innovation



Innovation
(Idea Testing)

Early Stage

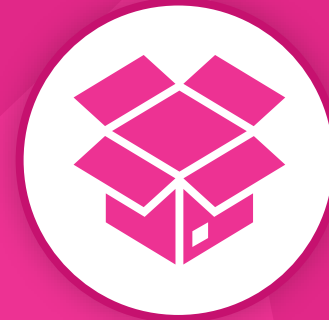
Later Stage



Text only



**Text +
mood board
imagery**



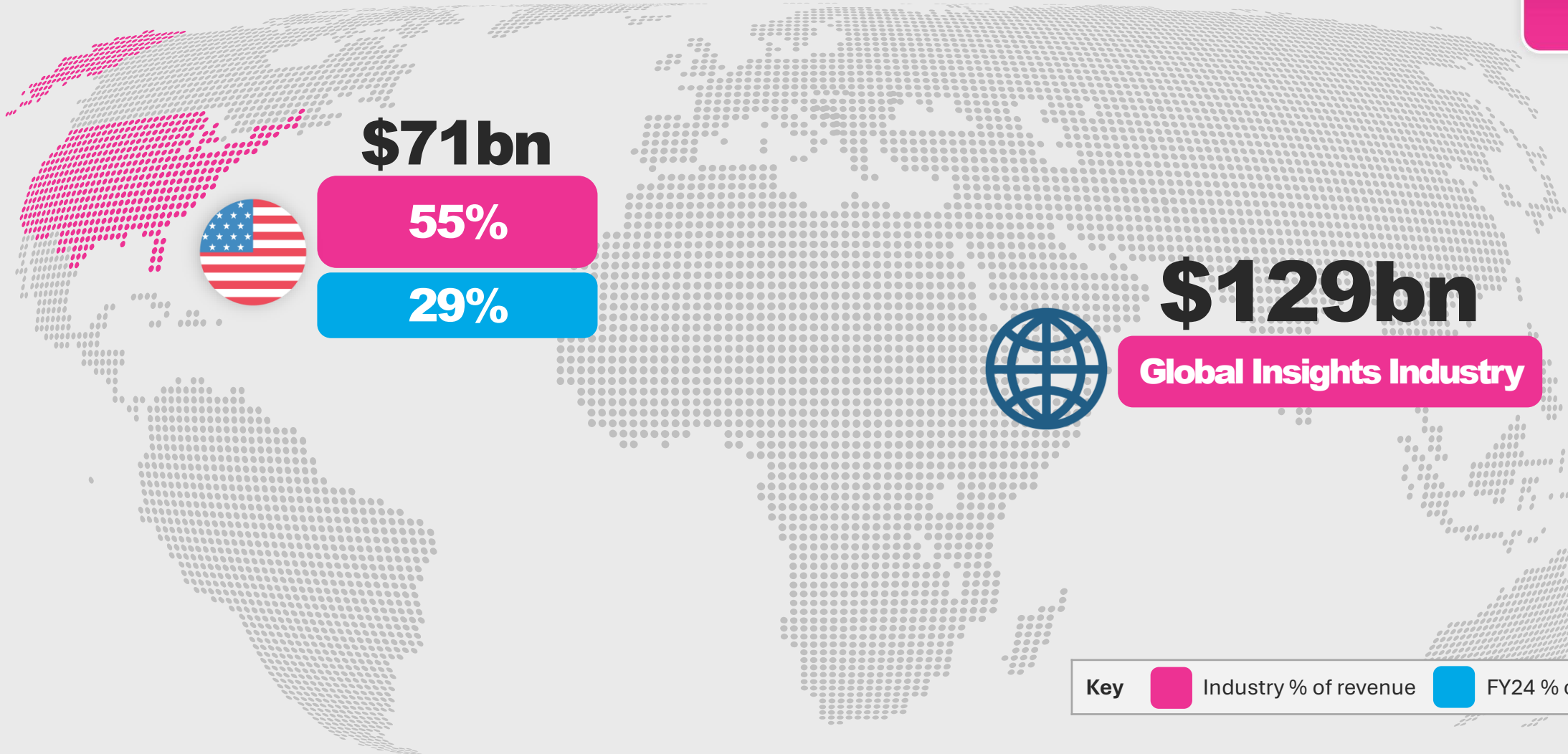
**Full concept +
pack imagery**



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We have a significant opportunity in the US as the biggest market



USA

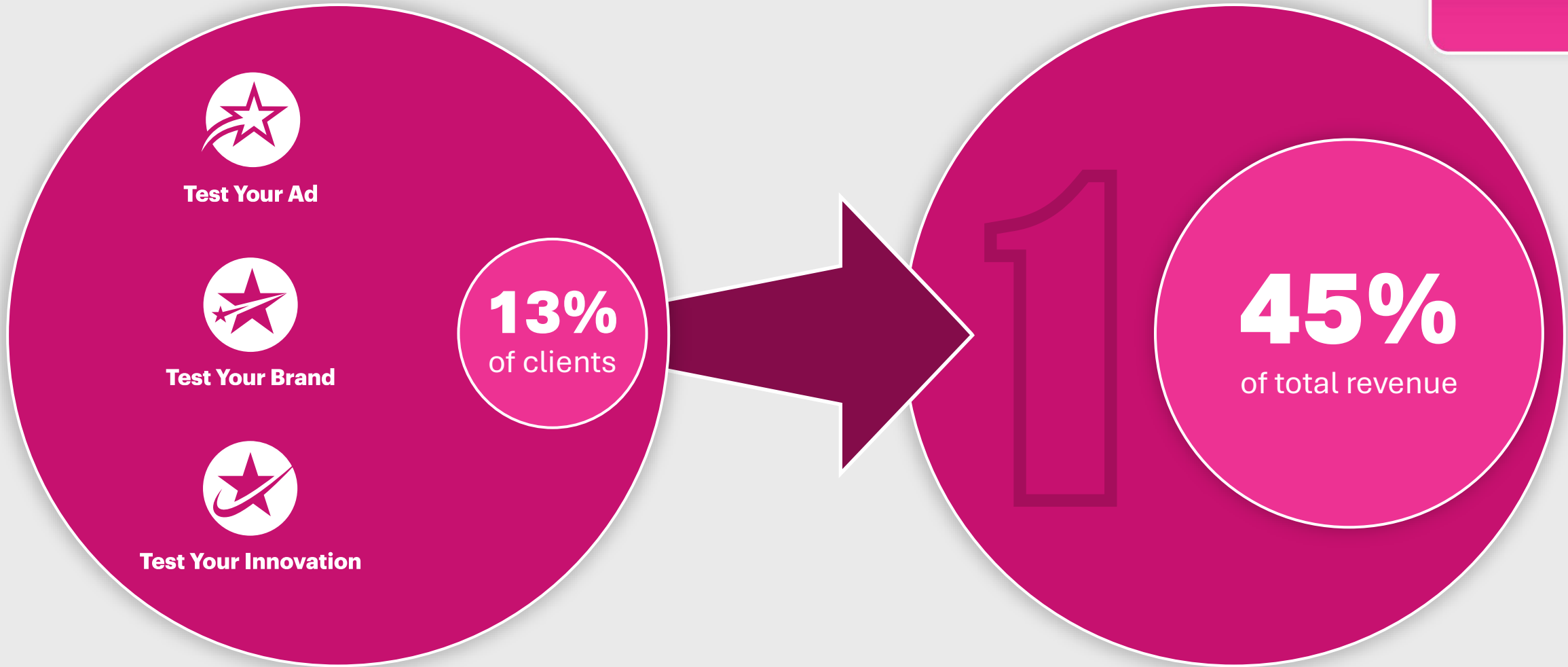


Key  Industry % of revenue  FY24 % of revenue

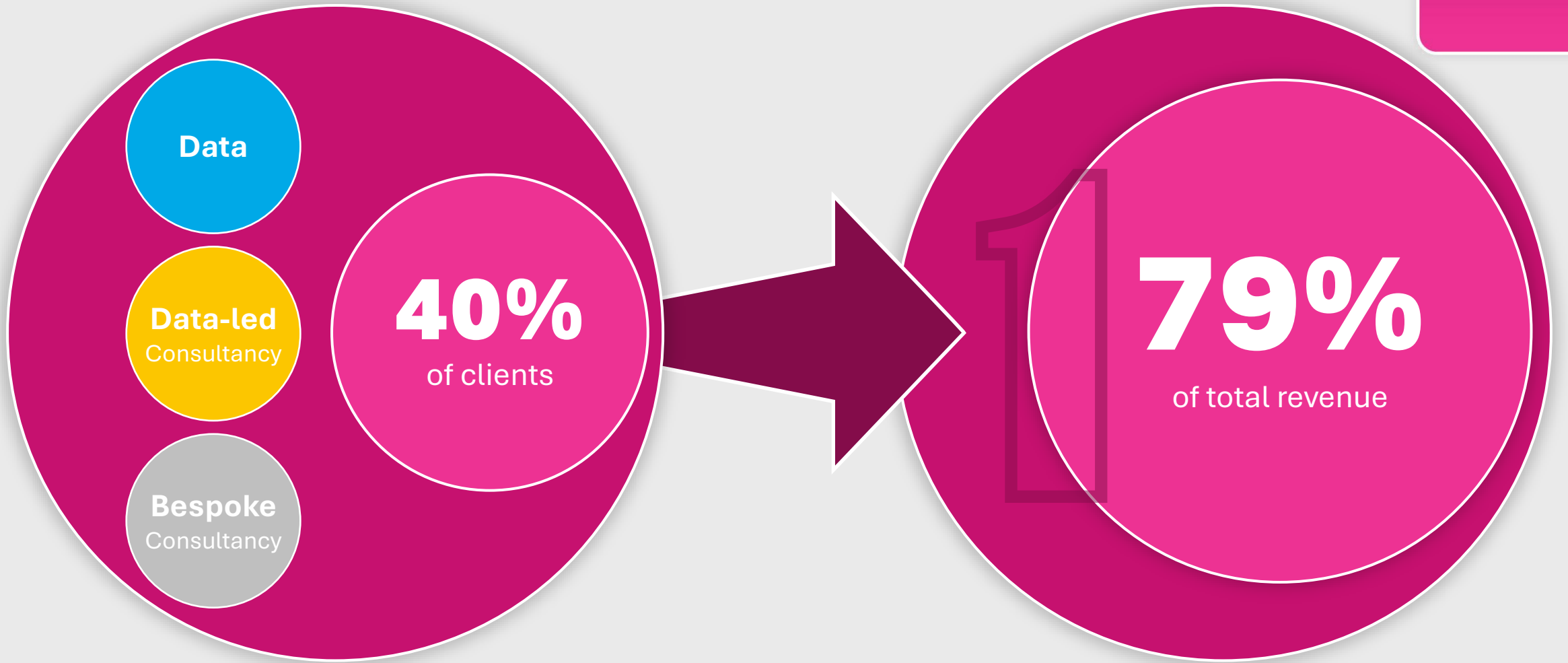
The world's largest advertisers buy across product groups ...



World's Largest Advertisers



... and across product types



Questions?

Food Delivery Service Ads typically perform better than the Website and Apps category but in line with advertising across categories in the UK

	UK Average	Website & Apps	Food Delivery Service
Number of ads	~12,000	393	25
Average Star	3.5	3.9	4.2
Average Spike	1.07	1.06	1.06
Average Fluency	82	79	82

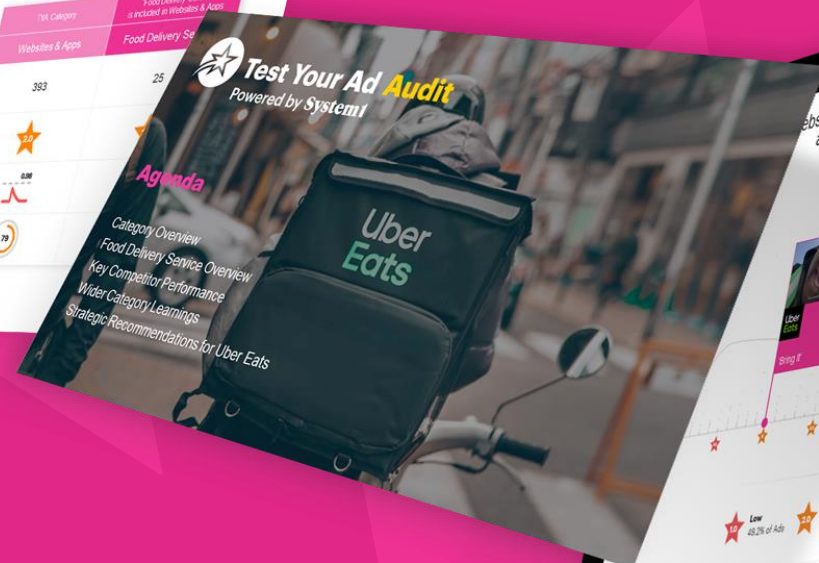
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Dares with Confidence

Test Your Ad Audit

Powered by System1

Agenda

- Category Overview
- Food Delivery Service Overview
- Key Competitor Performance
- Wider Category Learnings
- Strategic Recommendations for Uber Eats



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