bigsofa

Leaders in video analytics technology

BIG SOFA TECHNOLOGIES GROUP PLC (AIM: BST)

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Video is the best medium for capturing and sharing natural consumer behaviour

Global brands use Big Sofa’s technology to drive their consumer understanding

About Big Sofa

Who we are
Big Sofa is a B2B technology business servicing the marketing and consumer insight industries with video analytics

What we do
Our software platform collates, analyses and organises large volumes of video, enabling companies to perform detailed and sophisticated consumer insight analysis; and make genuine use of their video content

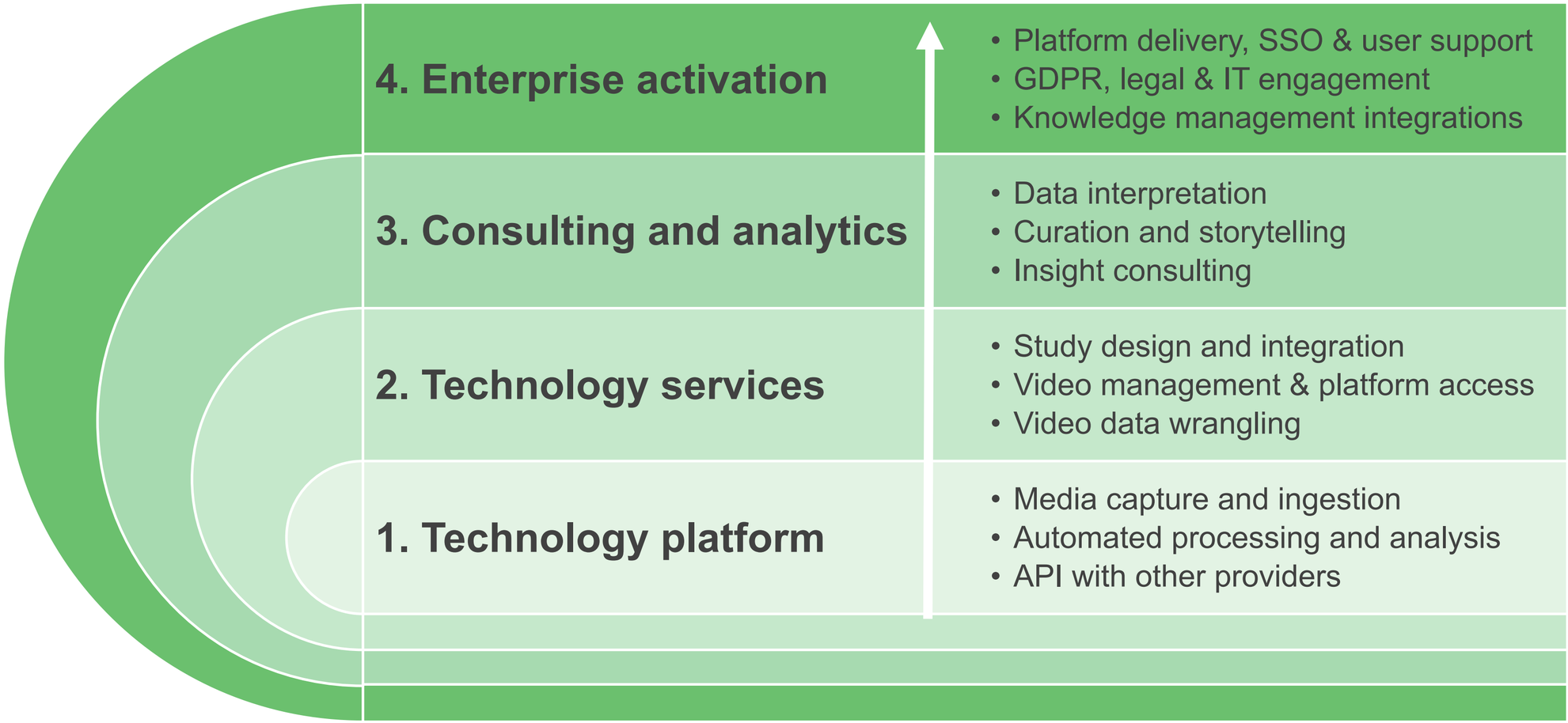
Why we do it
The growth of smartphones has enabled consumers to speak directly to brands, with video emerging as a dominant medium for conducting consumer research. Big Sofa's technology enables our growing, blue-chip customer base to unlock the value of their video content through our highly scalable video analytics platform

Our customers and partners are very large global organisations, including:

Significant Market Opportunity

- Video is emerging as a key medium for conducting consumer research in a £33.3 billion global market
- Big Sofa's technology enables its customers to access or conduct bespoke data analysis on their visual content
  - Big Sofa's solutions are designed for users who want to extract real meaning from visual data in large volume – not just watch it
  - Big Sofa is the technology which enables customers to capitalise on an ability to catch and analyse 'real behaviour'

Big Sofa: Harnessing the transformational power of video

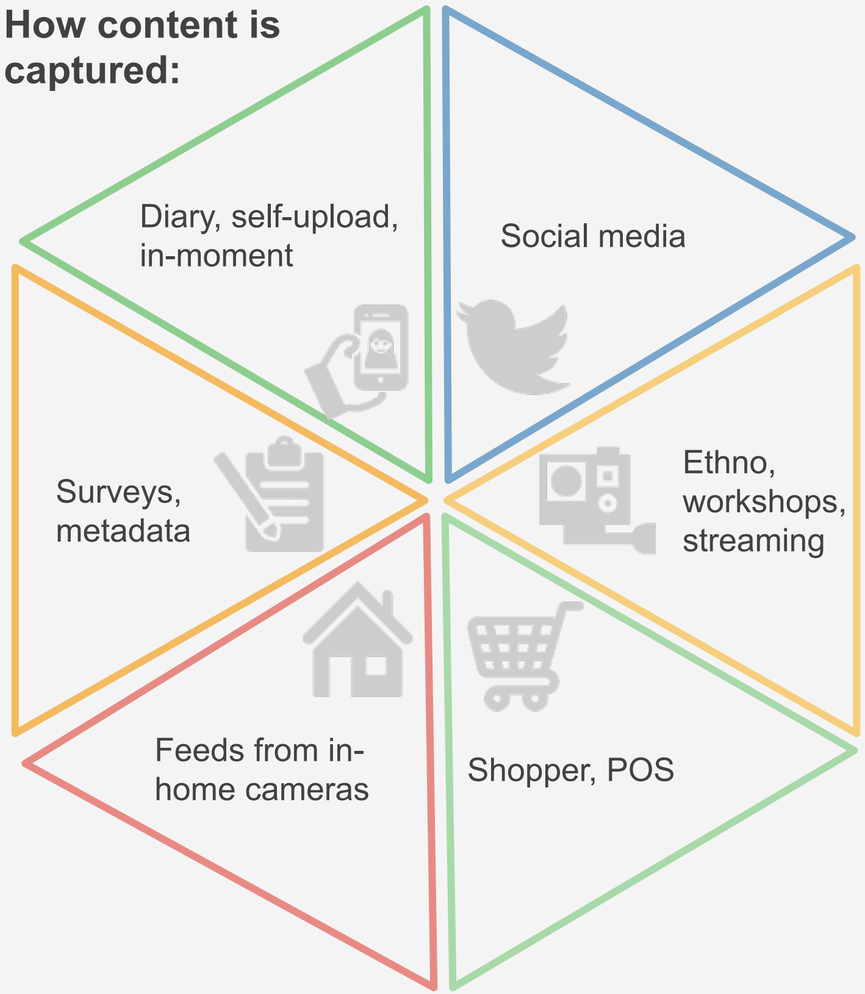


How Consumer Insight Customers Use Big Sofa

Our scalable technology platform transforms video content into structured data

- Video generates over 4x the word count of a traditional open-end survey
- Captures actual consumer behaviour, not claimed behaviour or attitudes
- Video content delivers greater understanding of how consumers use their products
- Ability to create global content / research libraries

How content is captured:



How Big Sofa Works

Raw digital content capture in any size from most current generation camera devices, in all spoken languages

1 Upload

Upload videos, images and data to our cloud platform

2 Process

Converts to web-playable formats, transcodes and indexes

3 Analyse

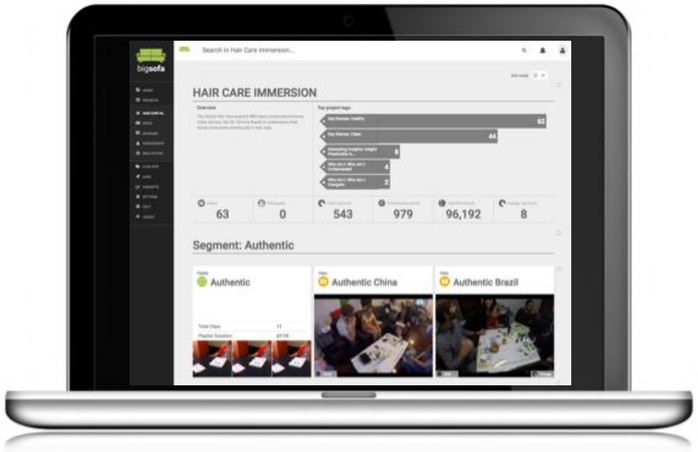
Content is viewed and analysed on a custom platform

4 Manipulate

Clients access, edit, download, share

Process involves transcoding, transcribing and translating of dialogue allowing customer content categorisation by key theme(s

Online platform



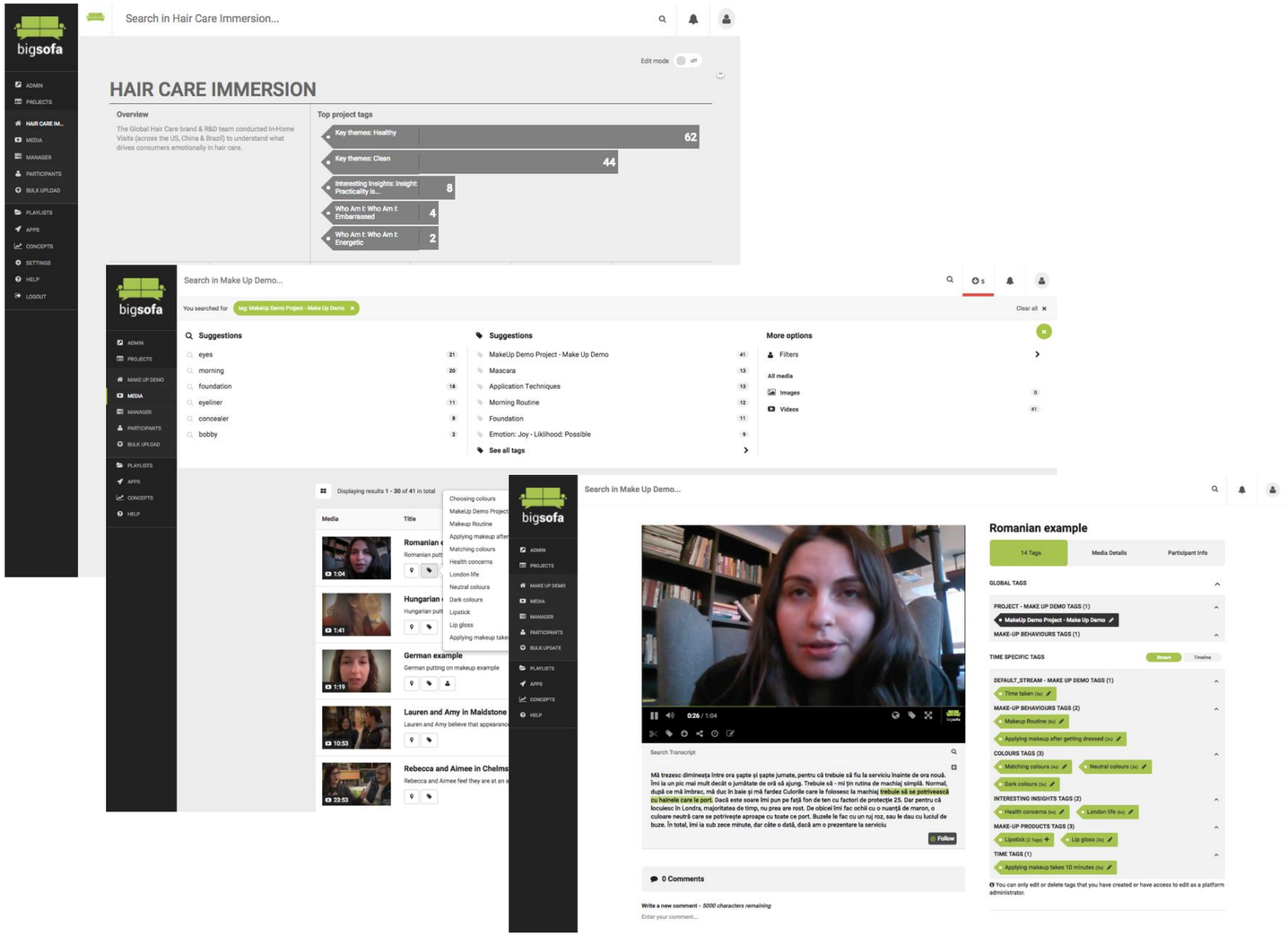
Software runs an automatic association of data with the material uploaded to enable deeper and more accurate search

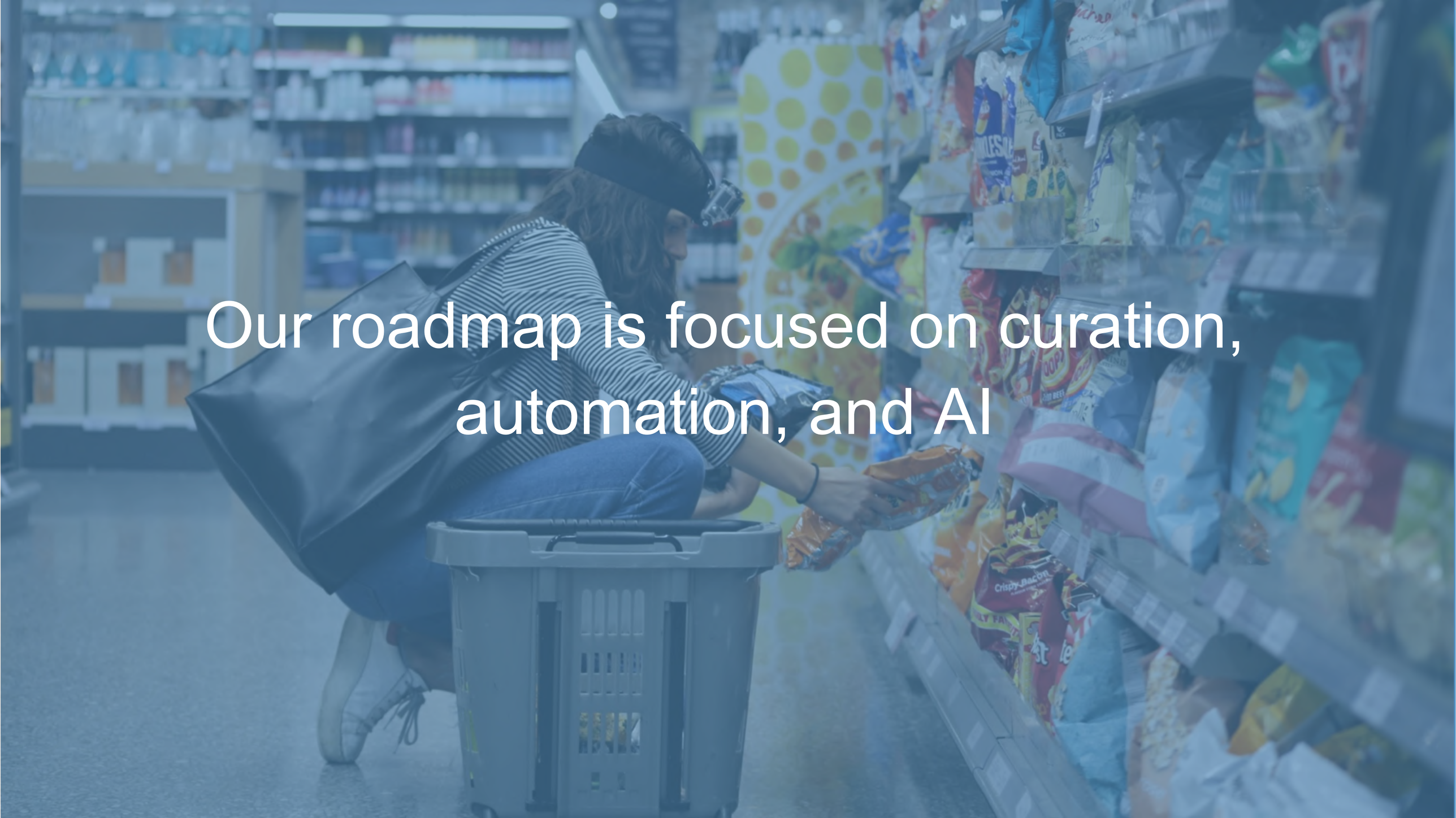
Our Platform: Aggregate, View, Analyse

Home page: Access latest content, key themes, curated playlists and project analytics.

Search page: filter search results using topics, tags and demographics

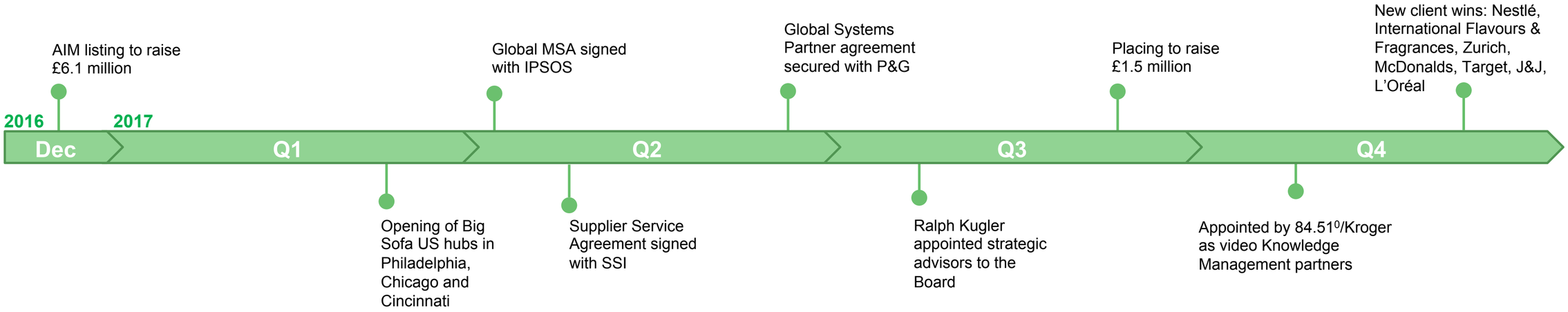
Video pages: clip, tag/code download and share content. We can also translate video to/from any language




Our roadmap is focused on curation, automation, and AI

Commercial progress and growth strategy

Progress Since IPO



- **April 2017: signed 3-year global MSA with IPSOS: co-branding with Big Sofa to deliver video analytics technology and services to clients**
  - Co-branded proposals already written for >40 potential new clients
  - 248 proposals worth c£1.5m with IPSOS since beginning of 2017: 46% win-rate on closed projects to end October
- **June 2017: became approved supplier to P&G on global technology *and* research rosters**
  - Proposals worth >$1 million written since June 2017
  - Expected to contribute growing income in 2018 and beyond
  - Also appointed as Global Video Partner for P&G's Knowledge Management Platform 'First Stop Data Shop' (expected to go live in H2 2017)
- **September 2017: appointed by 84.51⁰/Kroger as Knowledge Management partners**
  - Integration with 84.51⁰ big data platform
  - Multiple video-based projects in H2 2017 and beyond
- **Q4 2017: multiple new global client wins**

H1 2017 Corporate and Financial Highlights

H1 revenues: £0.5 million

- H2 expected to outweigh H1 2017 as benefit of cultivating long sales-cycle global customers materialises
- Revenue from IPSOS up 4x in H1 2017
- Revenue from P&G up 2x in H1 2017

Financial summary:

	H1 2017	FY 2016
Revenue	£503,000	£757,000
Gross Profit	£356,000	£379,000
Gross Margin	71%	50%
Administrative expenses	£(2,539,000)	£(4,676,000)
Operating Loss	£(2,183,000)	£(4,297,000)

- Post H1 2017 (12 September 2017) completed £1.5 million placing at 18.5p to service demand from large global brand and consumer insight customers

Growth Strategy

Focus on securing long-term technology-enabled partnerships with global customers

- 9-18 month sales cycles but long-term high quality income generators (already well advanced in sales cycles with IPSOS, P&G, Unilever)

Further develop US hubs

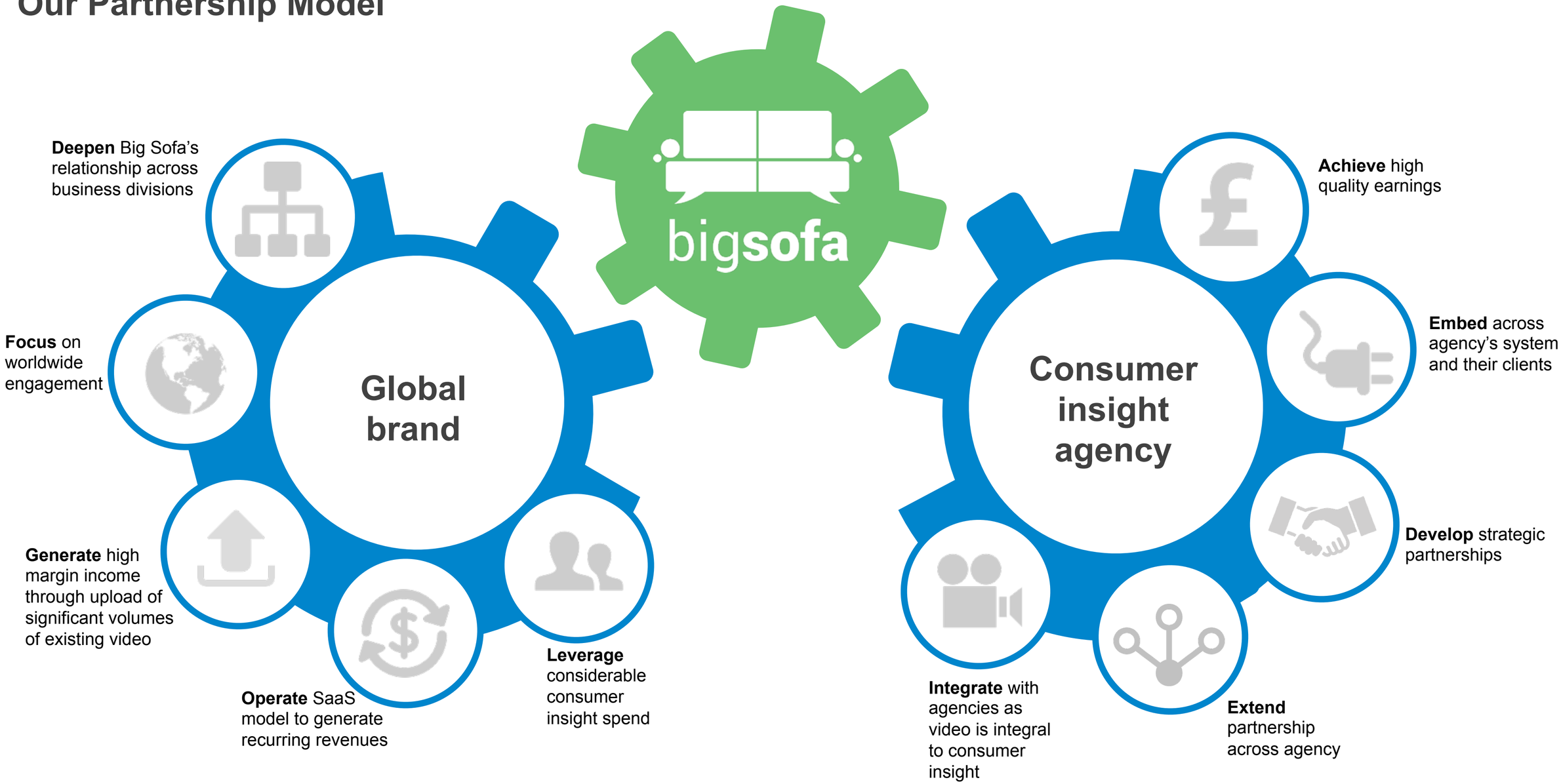
- Hubs located in Philadelphia, Chicago and Cincinnati – proximity to major CPG businesses
- US now contributing >60% of commercial opportunities
- Enterprise level relationships developing with multiple global corporations based in US

Continue to invest in R&D

- Maintain market leading position and foster greater customer value and traction

Expand video analytics technology into new markets beyond consumer insight which also generate large volumes of video content

Our Partnership Model



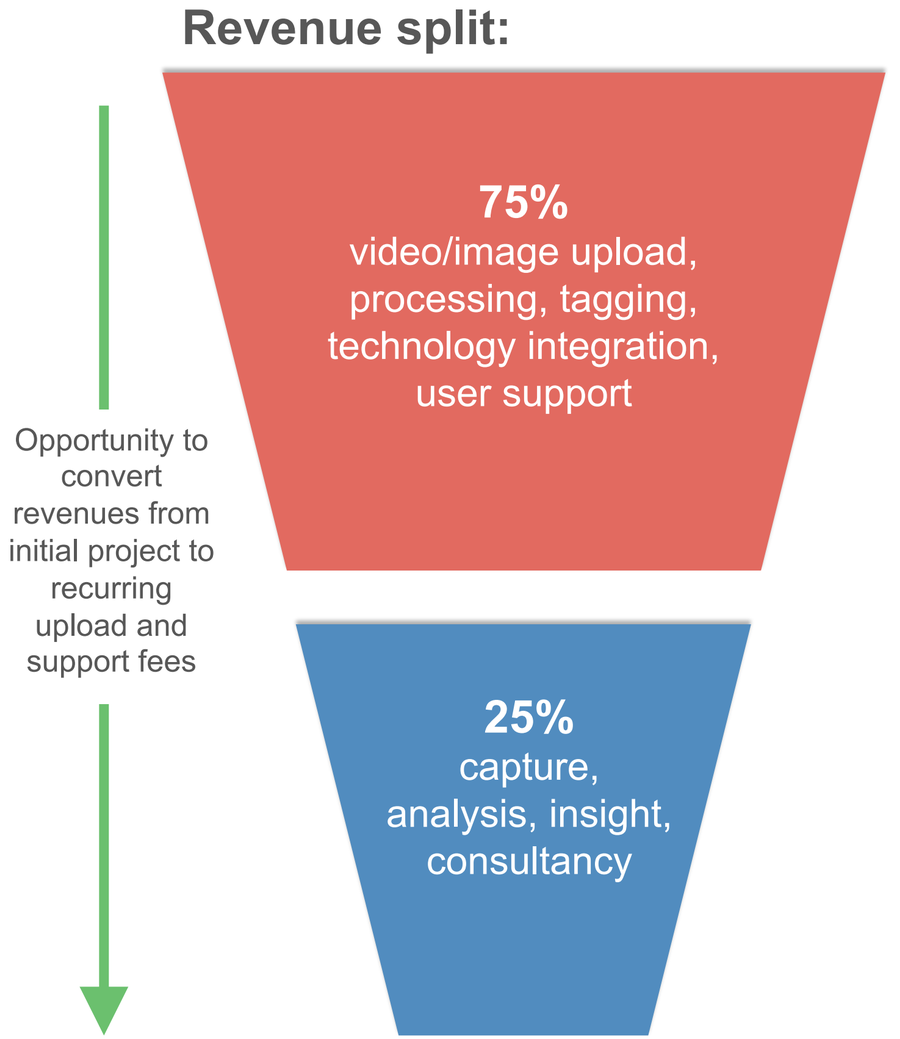
Revenue Model

Video/Image upload/processing (incl. licence fee), tagging, technology integration with client systems, user support

Clients pay per minute of content uploaded, linked to annual volume and have access to the content for 1-3 years with renewal fees applicable.

Capture, analytics, insight, visualisation, video outputs, knowledge management consultancy

Clients pay for tech-enabled services including analysis, curation, prospecting, content strategy / management. We are seeing clients increasingly pay for knowledge management consultancy related to their libraries of consumer video and images.



Outlook

Demand growing rapidly for video analytics technology and services

- Strategic partnerships provide significant base to sell across our customers' global footprints, with sales from existing clients expected to accelerate in H2 2017
- Proposals pipeline growing month-on-month with high win-rate track record

New client partnerships in advanced discussions

- Advanced discussions with multiple global clients in the pharmaceutical, automotive, financial services, consumer packaged goods, consulting and consumer insight sectors – some expected to start contributing income in Q4 2017

Substantive revenue increase expected in H2 2017 (H2 expected to significantly outweigh H1)

Well-placed to capitalise on large and growing global video analytics market opportunity

Board

Strong combination of industry and capital markets experience

Simon Lidington | CEO

Co-founded Big Sofa in 2014
Has over 35 years' experience in industry across many sectors
Previously CEO at Research International

Matt Lynch | CSO

Co-founded Big Sofa in 2014
Has 17 years' experience consulting for global brands
Heads up business and client strategy, helping drive value through Big Sofa's technology

Joe MacCarthy | CFO

Joined in 2016 and oversees financial and commercial strategy
Over 10 years' experience with blue chip and entrepreneurial companies
Previously Octopus Investments, RSA Insurance and PwC

Non-executive Directors

- Nicholas Mustoe, Non-executive Chairman
- Adam Reynolds, Non-executive Director
- Steven Metcalfe, Non-executive Director
- Paul Clark, Non-executive Director

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