

A person with a backpack is seen from behind, looking out over a field at sunset. The sky is a mix of orange, pink, and blue. The person is wearing a striped sweater and has a backpack on. The background shows a line of trees and a hill.

Brave Bison Group plc

Annual Results for the year ending 31 December 2022

April 2023

Brave Bison

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Presentation from



Theo Green

Chief Growth Officer



Oliver Green

Executive Chairman



Philippa Norridge

Chief Financial Officer

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Brave Bison is a media, marketing and technology company built for the new era

Revenue

↑ £31.7m
+46%

Gross Profit / Net Revenue

↑ £16.9m
+117%

Adj. Profit Before Tax

↑ £2.6m
+86%

Total Headcount

↑ 162
2021: 146
280 post-Social Chain

Net Cash

↑ £6.2m
+32%

Adj. Earnings per Share

↑ 0.24p
+33%

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Financial Results Summary

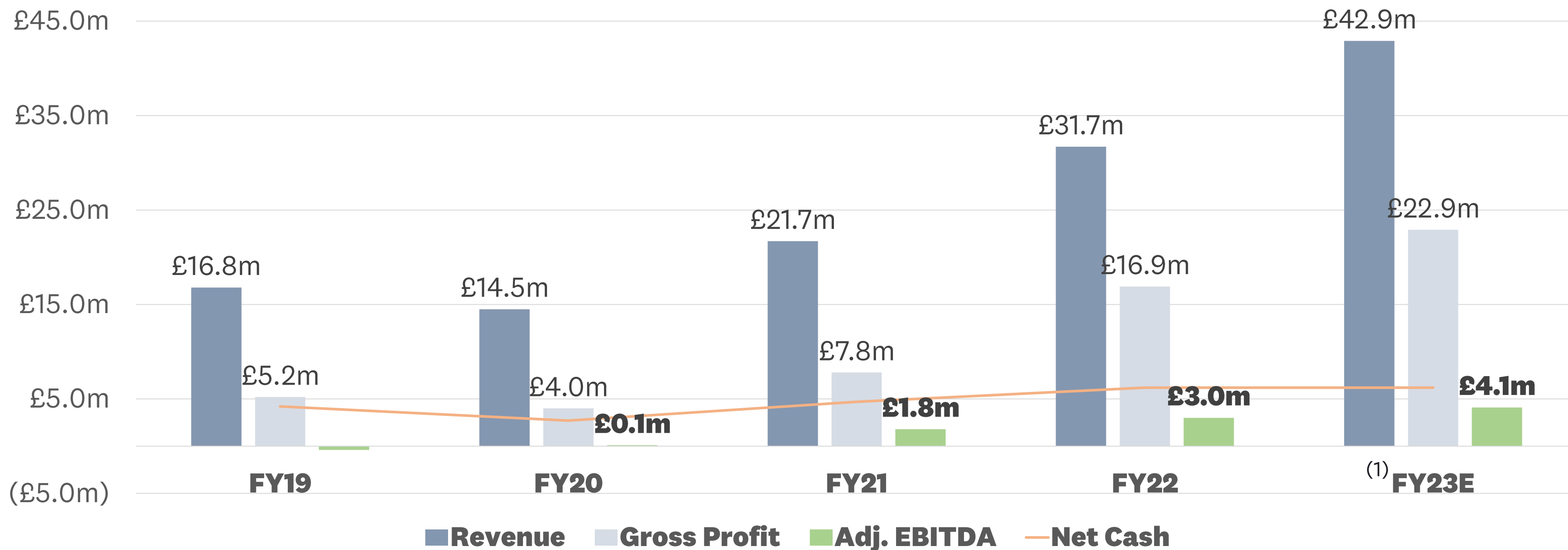
	FY22	FY21	Change
Revenue	£31.7m	£21.7m	+46%
Gross Profit	£16.9m	£7.8m	+117%
Adj. EBITDA ⁽¹⁾	£3.0m	£1.8m	+71%
Adj. Profit Before Tax ⁽²⁾	£2.6m	£1.4m	+86%
Adj. Earnings Per Share	0.24p	0.18p	+33%
Profit Before Tax	£1.5m	£0.5m	+218%
Profit After Tax	£2.1m	£0.5m	+354%
Cash	£6.5m	£5.9m	+10%
Net Cash	£6.2m	£4.7m	+32%

(1) Adj. EBITDA is defined as earnings before interest, taxation, depreciation and amortisation, and after adding back acquisition costs, restructuring costs and share-based payments. Under IFRS16 most of the costs associated with the Company's property leases are classified as depreciation and interest, therefore Adj. EBITDA is stated before deducting these costs.

(2) Adj. Profit Before Tax is stated after adding back acquisition costs, restructuring costs, impairments, amortisation of acquired intangibles and share-based payments, and is after the deduction of costs associated with property leases.

- Revenue, gross profit and adj. profit before tax all ahead of market forecasts
- Strong growth across all KPIs, including gross profit organic growth of 12%
- Cash generation and net cash in line with market forecasts
- Significant R&D tax credits claimed in the year, increasing profit after tax

Trading History



(1) Current market forecast, Cenkos Securities, February 2023

Adjustment Summary

	FY22	FY21
Adj. EBITDA	£3.0m	£1.8m
Finance Costs	(£0.1m)	(£0.1m)
Finance Income	£0.1m	-
Depreciation	(£0.4m)	(£0.3m)
Adj. Profit Before Tax	£2.6m	£1.4m
Restructuring Costs	(£0.1m)	(£0.2m)
Acquisition Costs	(£0.1m)	(£0.7m)
Impairment Charge	(£0.5m)	-
Amortisation of Acquired Intangibles	(£0.2m)	(£0.0m)
Equity Settled Share Based Payments	(£0.4m)	(£0.1m)
Profit Before Tax	£1.5m	£0.5m

- Restructuring costs primarily relate to expansion in Bulgaria
- Acquisition costs relate to the acquisition of Best Response Media during the year
- Impairment charge is in relation to the Greenlight brand name following successful integration and rebrand
- Amortisation of acquired intangibles is a new adjusting item, but will become more significant with future acquisitions
- Share based payments include amounts relating to Directors' LTIP, redemption of which is subject to performance conditions

Any apparent casting errors in the above table are due to roundings

Outlook

“

Social Chain, acquired in February 2023, is currently being integrated into the Brave Bison operating platform. Progress to date is in line with expectations. The Board expects IT, HR, finance, marketing and operations departments to be materially integrated by the end of H1 2023

The Board is comfortable with current market expectations but notes that trading has become more challenging in the first half of 2023 as customer budgets have come under pressure

Brave Bison remains well capitalised with flexibility to pursue further opportunities in line with the Company's Acquisition & Integration strategy



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Brave Bison is a media, marketing and technology company built for the new era

Brave Bison is part-digital broadcaster and part-digital advertising & technology services company.

Brave Bison Media is a network of 650 social media channels across YouTube, Snapchat, TikTok, Facebook and Instagram. We generate revenue when brands advertise on our channels.

Brave Bison has three services pillars, generating fee-based income:

- ☐ **Brave Bison** Social & Influencer (Social Chain), a social media advertising practice
- ☐ **Brave Bison** Commerce, a digital commerce practice
- ☐ **Brave Bison** Performance, a paid and organic digital media practice

Customers include New Balance, Primark and Asus



Digital Advertising & Technology Services

An indicative value chain

BraveBison Performance



A digital advertising agency is appointed to plan an advertising campaign in a specific market

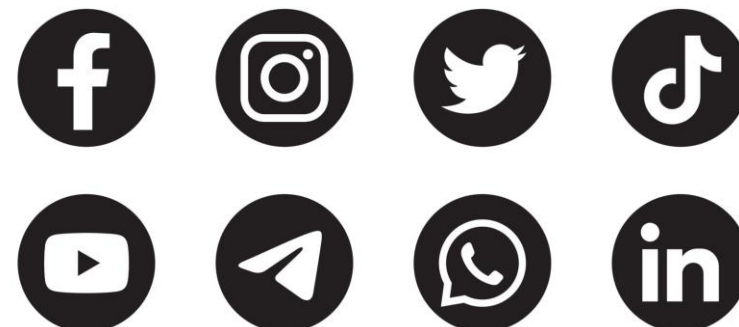


A creative agency is appointed to produce effective content formats that will perform on the relevant channel

Apple launches its new watch, the Series 8



A campaign plan includes the target audience, as well as the most appropriate digital advertising platform



BraveBison Social & Influencer

Influencers (independent creators with large, engaged followings) may be chosen to create and distribute content without paid media

Digital Advertising & Technology Services

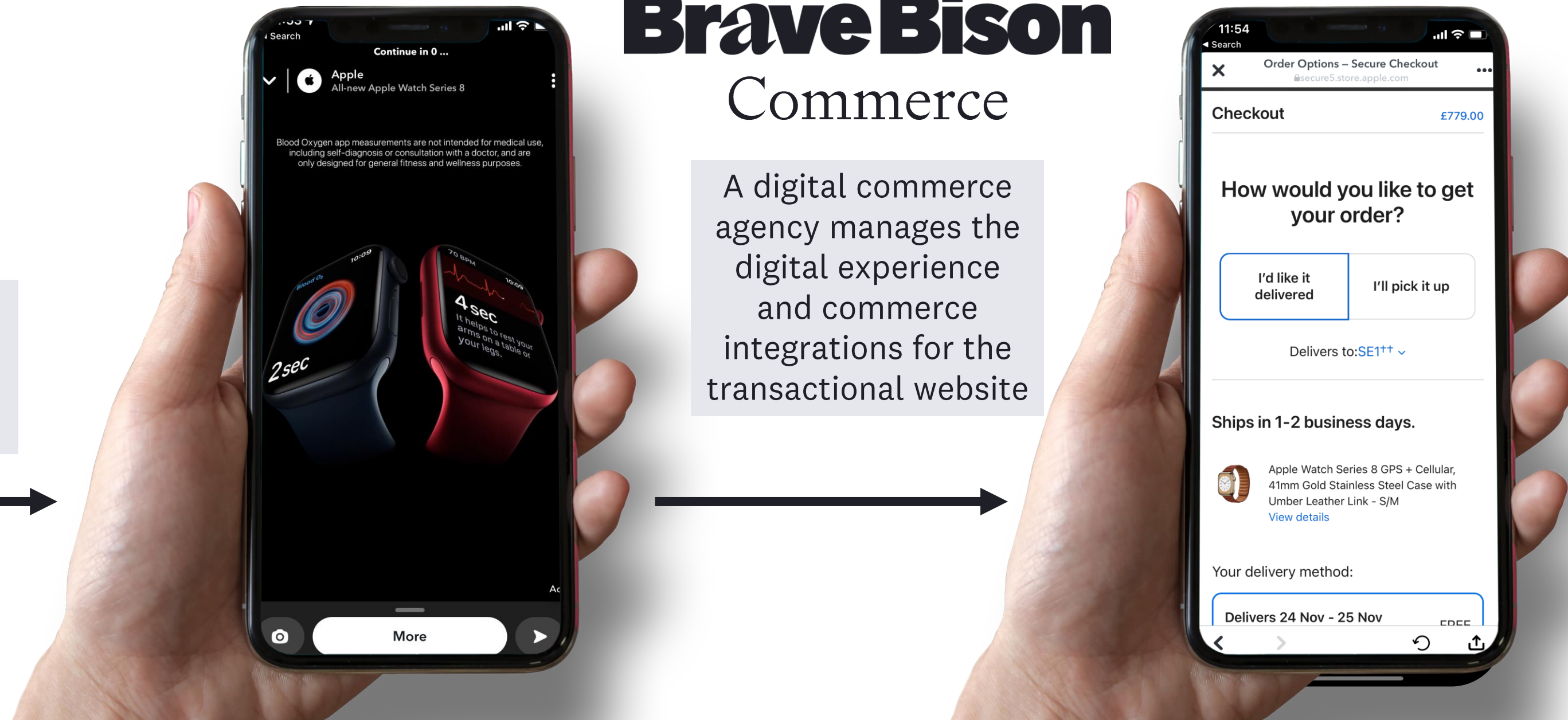
An indicative value chain

Brave Bison Performance

A digital advertising agency buys the relevant media through a programmatic advertising exchange

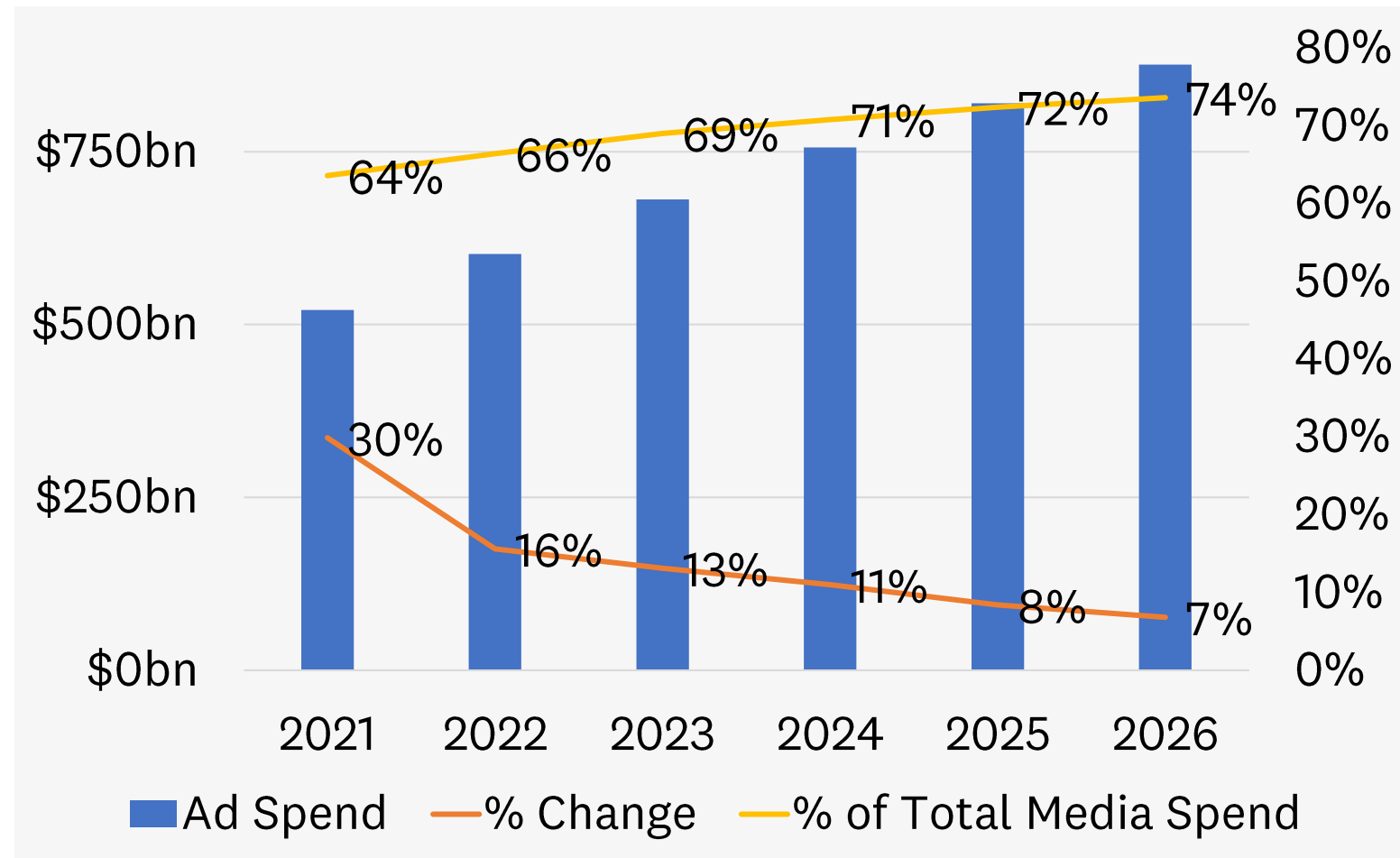
Brave Bison Commerce

A digital commerce agency manages the digital experience and commerce integrations for the transactional website



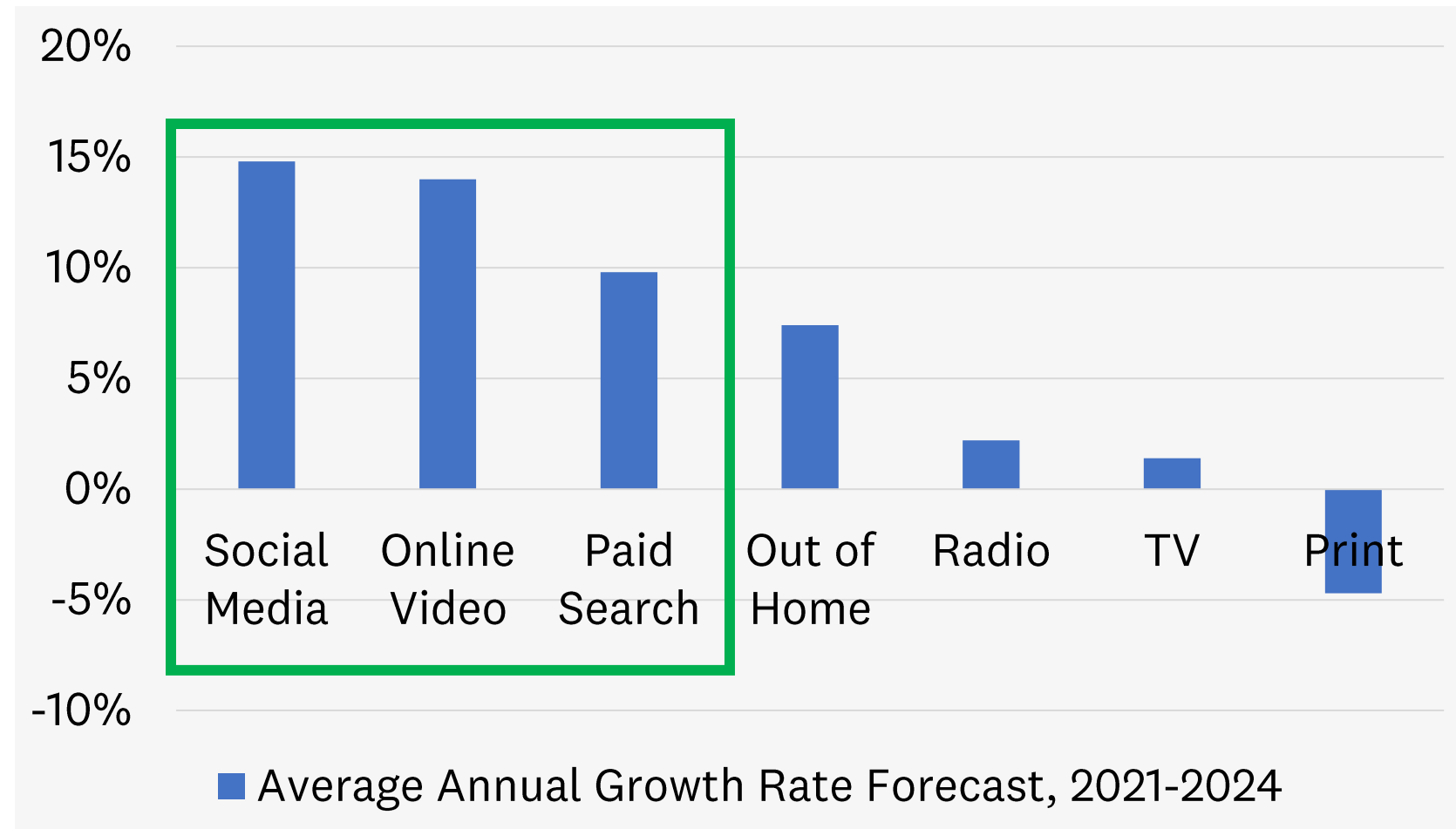
Our Industry

Digital advertising is forecast to grow at a high single-digit CAGR between 2022 and 2026



Source: eMarketer, 2022

Brave Bison operates in the fastest-growing sub-sectors in the digital advertising market



Source: Zenith, 2022

Our business model: **Digital Advertising & Technology Services**

Brave Bison Commerce

Brave Bison Performance



Rapyd

Panasonic

Milk & More


new balance

currys



Brave Bison Performance: Case Study



- Brave Bison is the primary digital advertising partner for New Balance EMEA, managing tens of millions of media spend across 18 markets
- 2022 activity includes paid search & shopping, SEO, feed management, display and performance display
- In 2023, new services provided will include paid social, TikTok content, digital PR and data warehousing to enable automated bidding

~60%

YoY EMEA online
sales growth

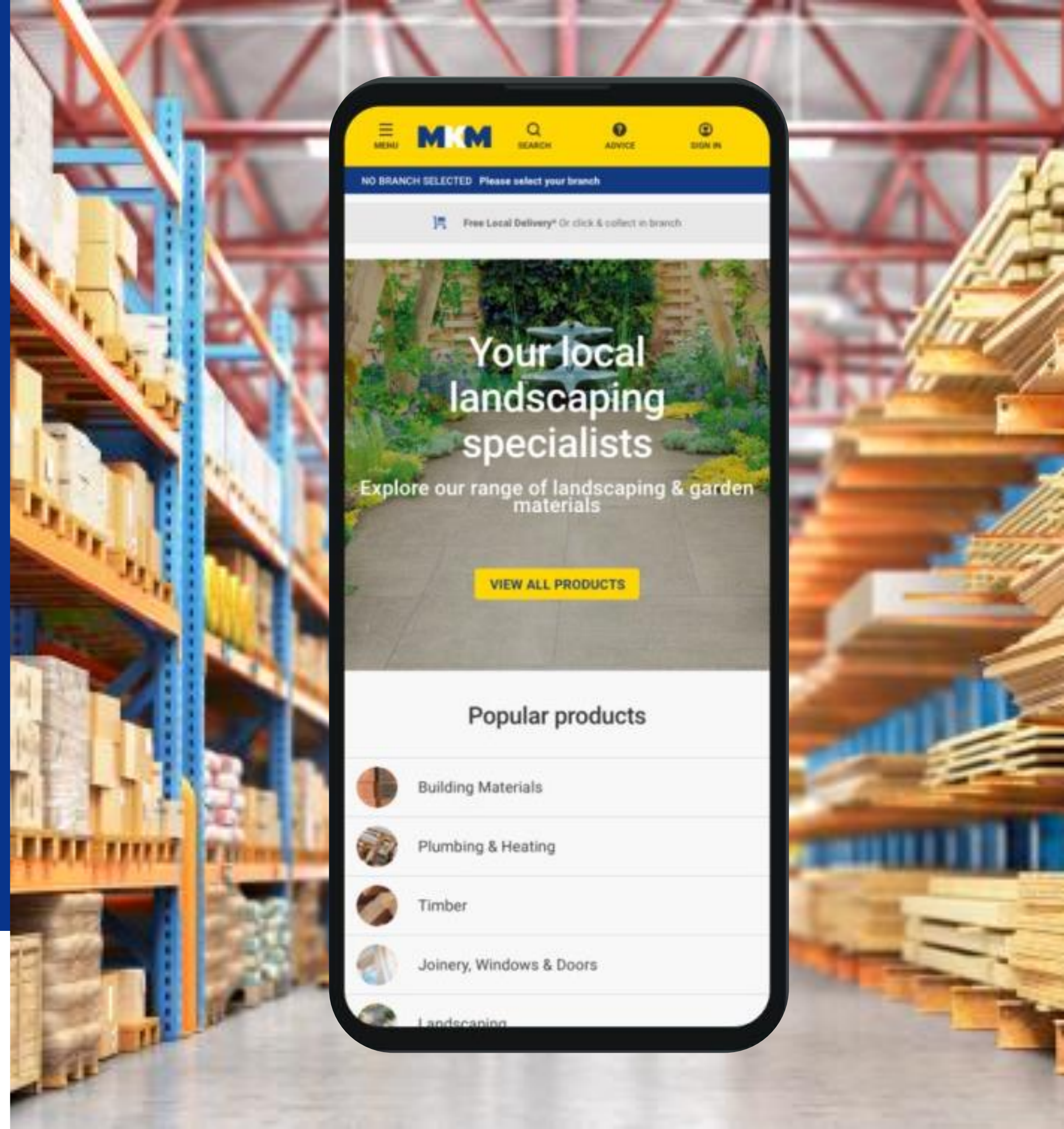


Brave Bison Commerce: Case Study



- Brave Bison is the digital commerce partner for MKM, a leading builders merchant with over 100 independent branches in the UK
- Brave Bison used MACH architecture to replatform MKM onto a highly complex site that caters complex business rules around customer-specific price terms, decentralised management of stock and local delivery zones
- The new platform connected Bigcommerce, Vue Storefront, Bloomreach and a custom middleware layer

1.79bn
Customer-Product
price combinations



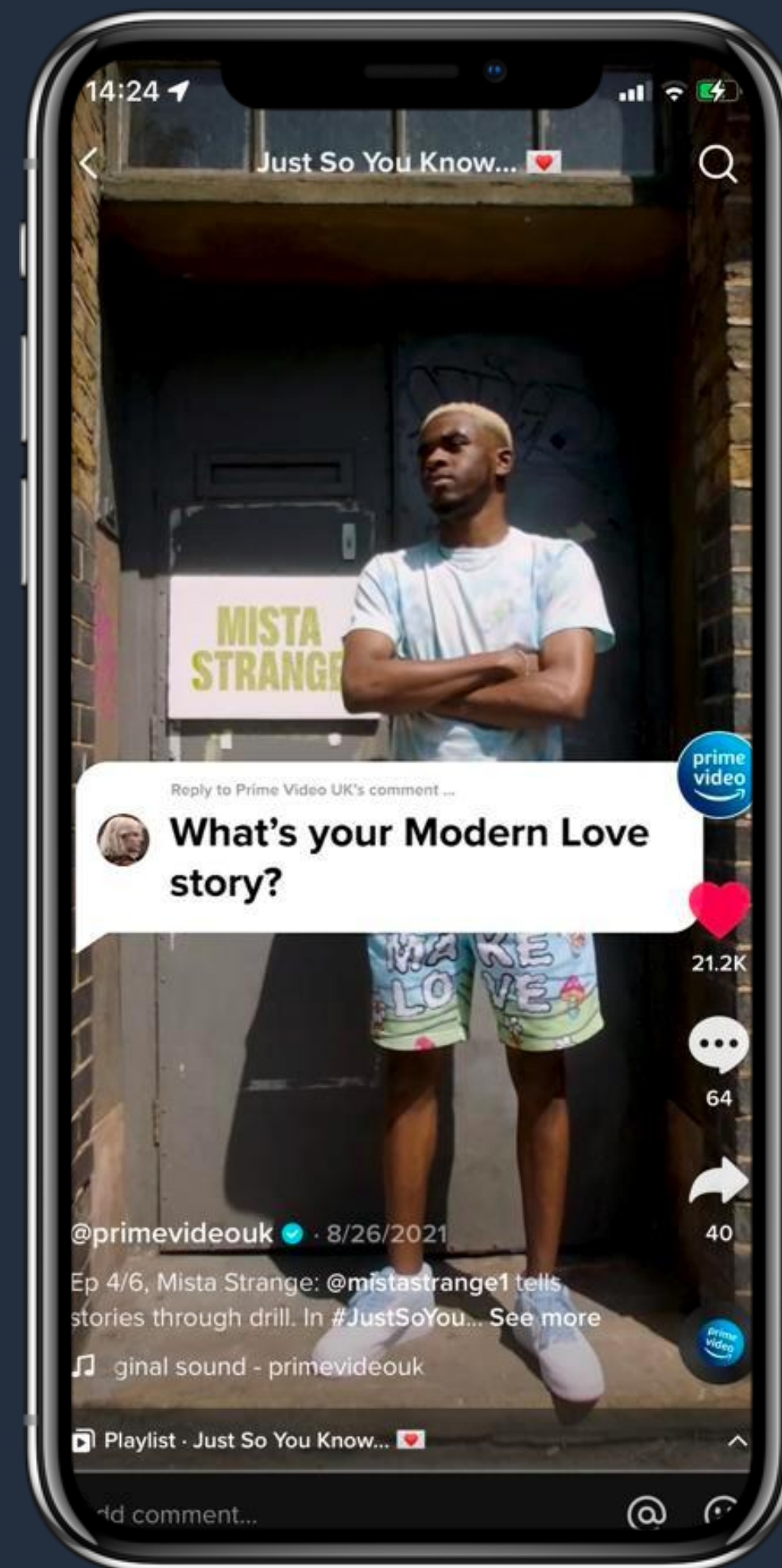


prime video

- Social Chain was engaged by Prime Video to promote Modern Love, an Original 8-part anthology based on the New York Times column of the same name
- Social Chain partnered with six LGBTQ+ TikTok influencers and asked them to produce a six-part short-form series, handing over the reins of writing, directing and composition to three outstanding LGBTQ+ contributors to the creative arts
- This work was nominated in the Greatest Creative category for the UK TikTok Awards 2022

17mn
Views

234mn
Engagements

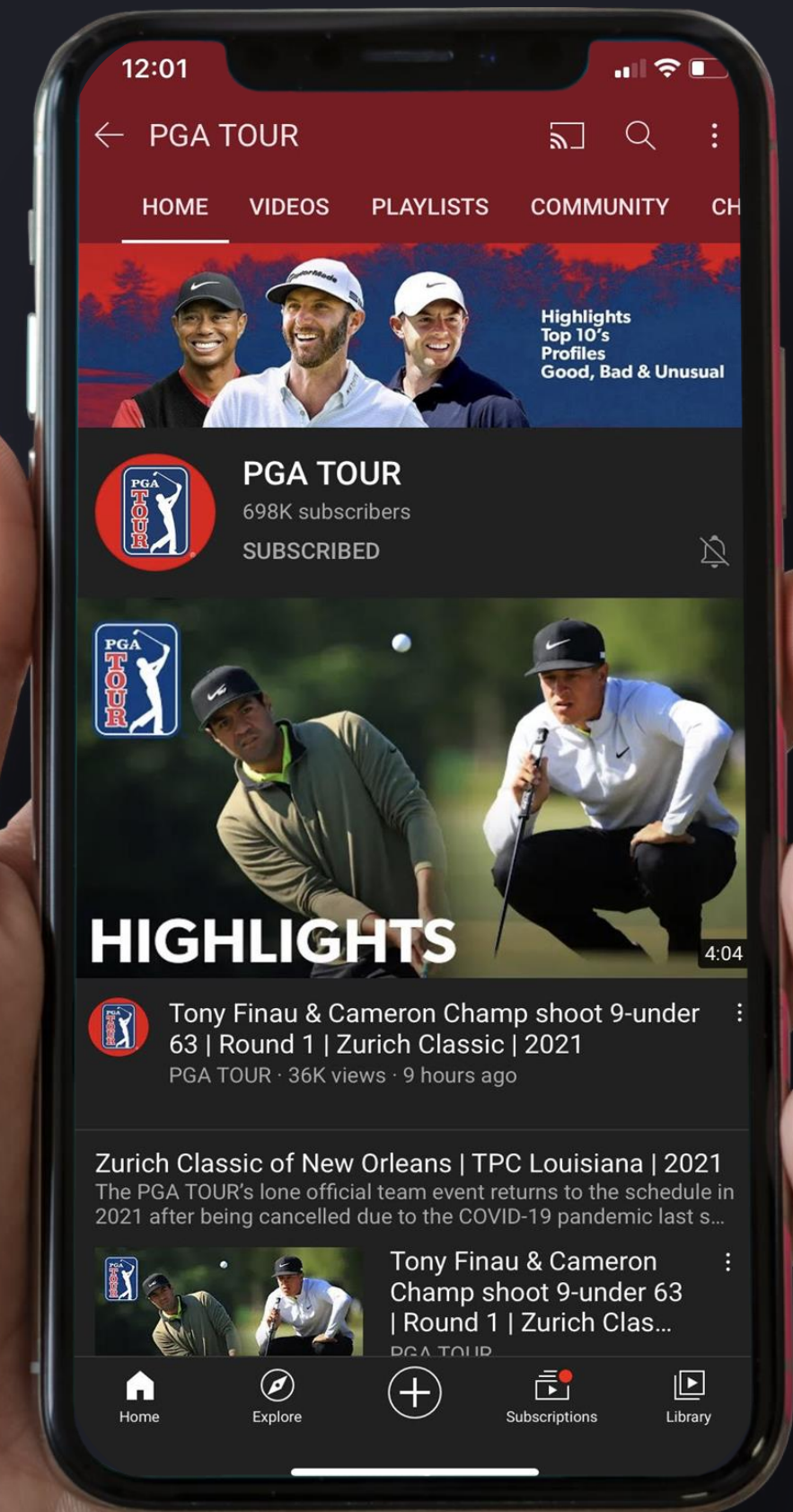


Our business model: **Digital Media Network**

Brave Bison owns and operates 650+ channels across all major social media networks



Some of our channels



the
HOOOK

Brave Bison



1.2m followers

15m views per month



7.2m followers

45m reach per month



New Snap Discover show
launched April 2023



130k subscribers

10m views per
month



953k followers

20m reach per month

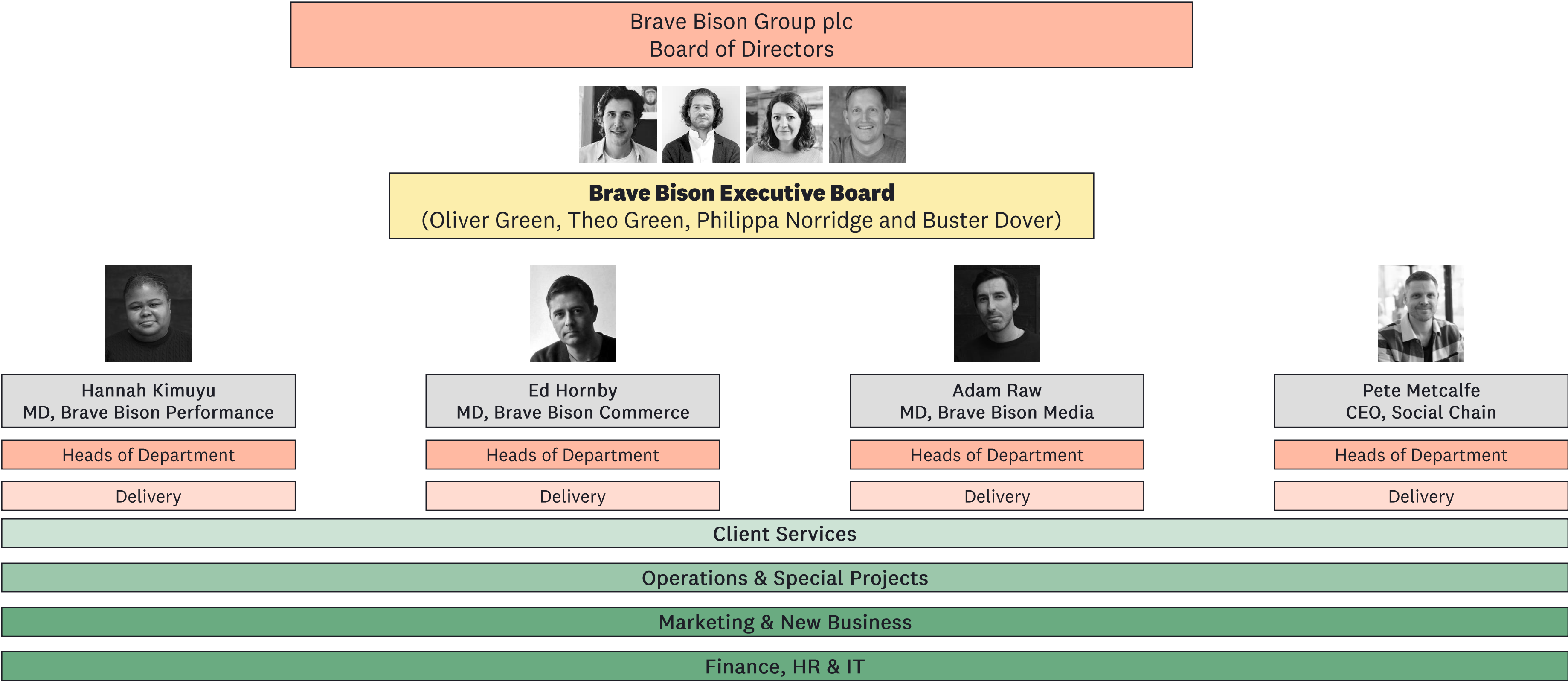


22k followers

100k reach per month



Organogram: Operational Leverage



Marketing & New Business

- Content (podcasts, whitepapers, social)
- Awards
- Events



A technology-enabled services company

Two-tier approach to technology and technology development:

Owned & Licensed Technology Stack

Technology developed or integrated with internal processes to improve efficiency across the business.

Examples include:

- **Prism**, a custom data tool to aggregate reporting from multiple platform
- **Project Clarity**, an analysis of customer profit margin
- **Generative AI** platforms such as Midjourney or GPT-4
- **Famous Birthdays**, an influencer discovery tool that uses first-party data from a wiki instead of Facebook, TikTok or YouTube

Customer Technology Stack

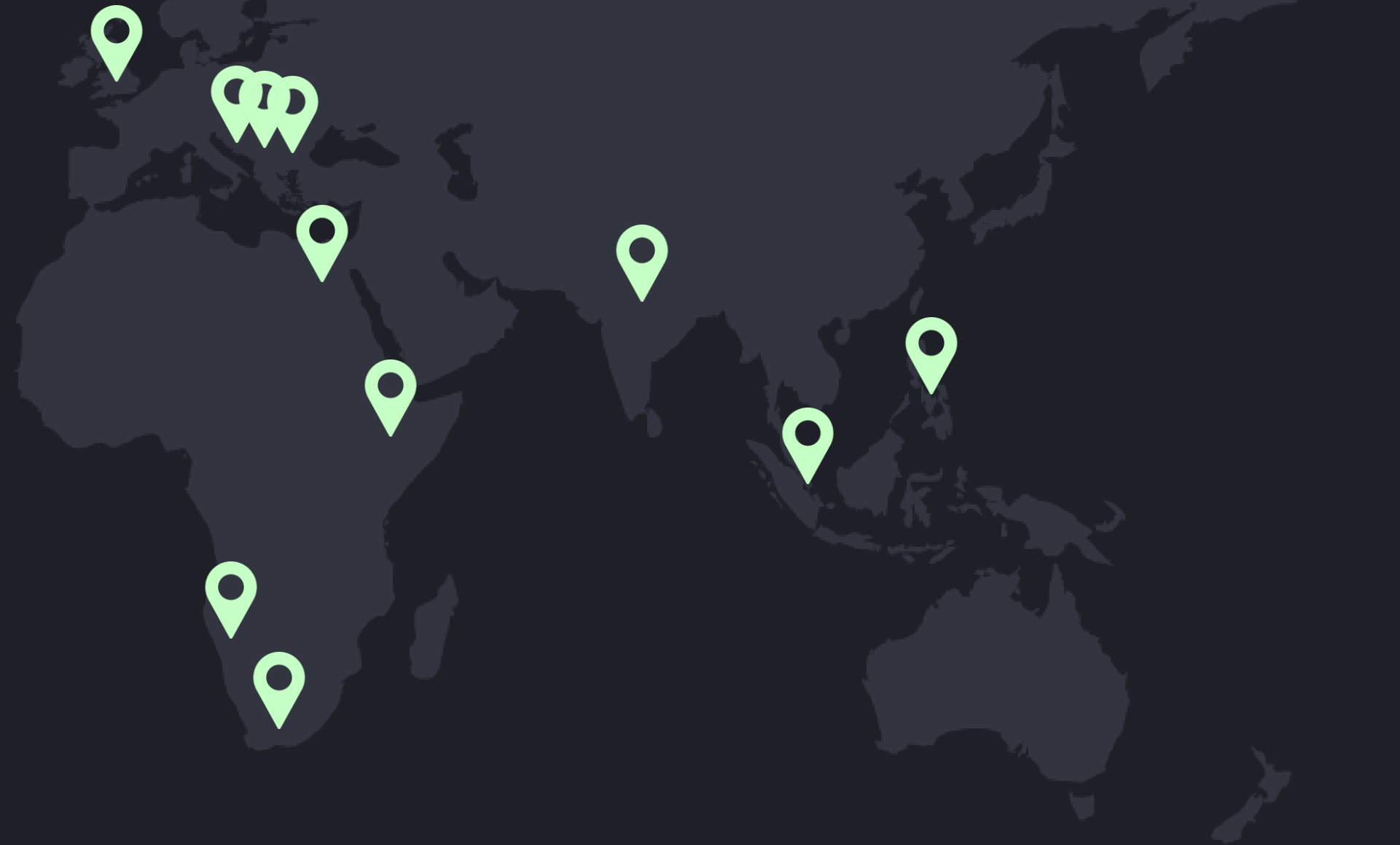
Software developed to solve a particular customer problem that can be automated and repeated

Examples include:

- **BisonBot**, a tool based on GPT-4 that writes landing page product descriptions for websites with large numbers of products
- **OneSearch**, an automated bidding tool that optimises Google search spend based on organic rankings

Distributed **operating model**

- Brave Bison now operates on a fully hybrid basis
- HQ is in King's Cross, London, but over 25% of the Company's headcount are fully remote
- Brave Bison currently has staff in eleven countries
- This operating model gives Brave Bison four significant advantages:
 1. Faster hiring
 2. Protection against wage inflation
 3. Reduction in property costs
 4. Improved diversity of workforce, and reduction of London bias



Sustainability.

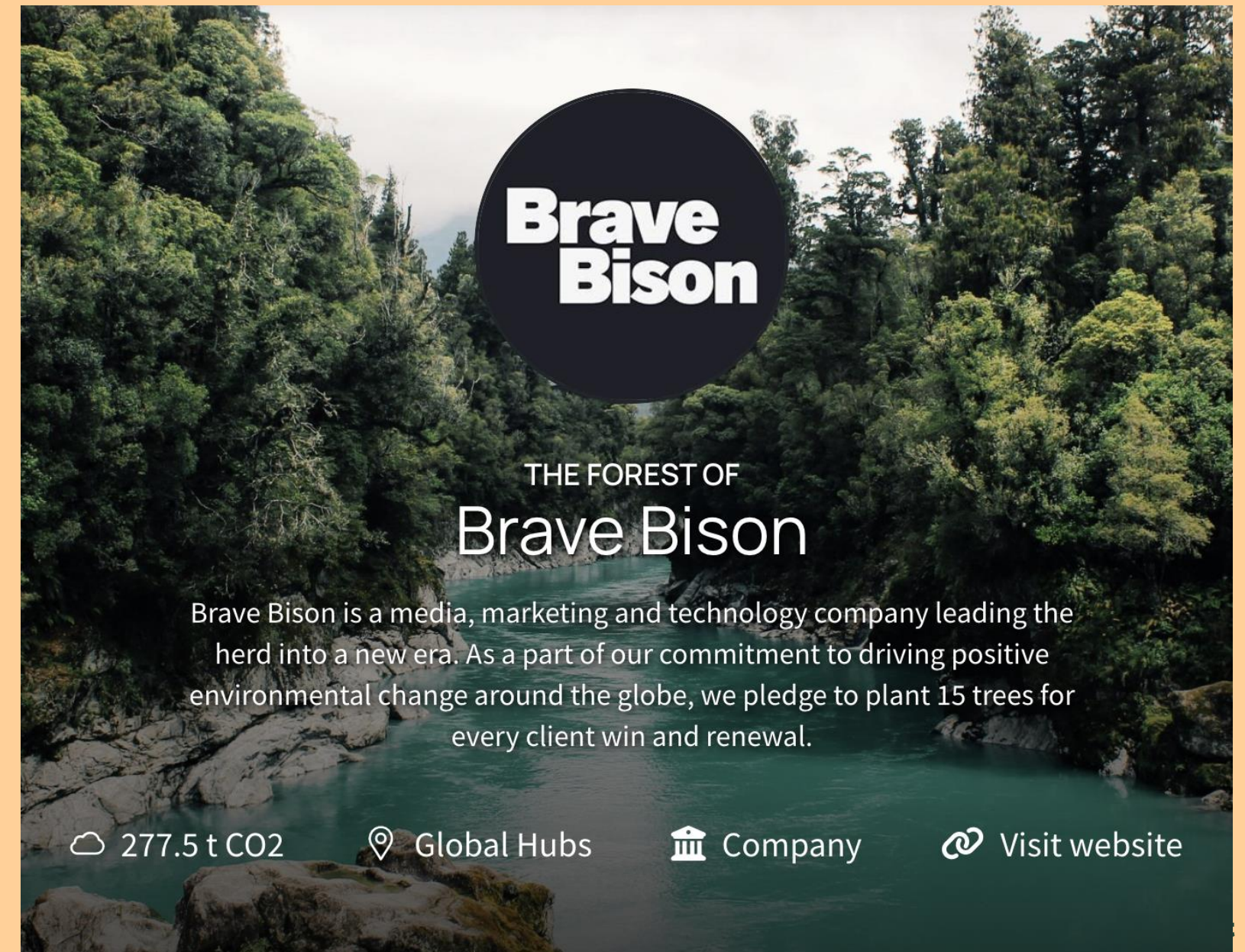


Brave Bison has been a carbon negative organisation since 2018, making us the first UK digital marketing agency to achieve this important status.

Through a programme of energy saving measures (e.g. timed lights and TV's, reduced boiler temperature), reduced travel and offsetting, we take out more CO2 from the atmosphere than we add through Scope 1 and 2 emissions.

The **Brave Bison** Forest.

We're just **moments** away from offsetting our carbon footprint entirely. From recycling programmes to planting 15 trees in **our Brave Bison forest** for every client win and client renewal.



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Long-term Vision

A media, marketing and technology company built for the new era

Key:

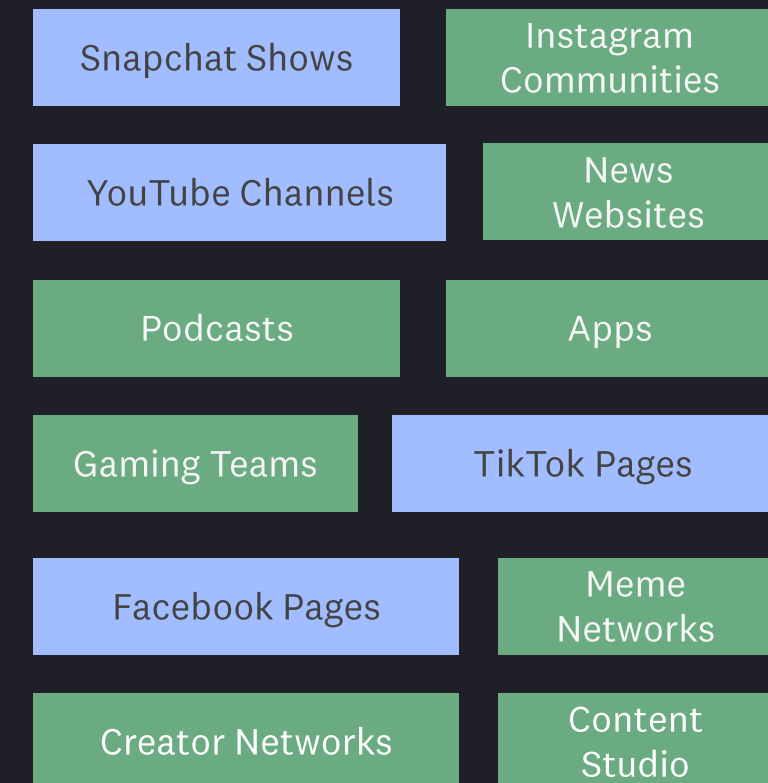
- Existing Capabilities/Media
- Future Capabilities/Media
- Capabilities/Media Acquired with Social Chain

Digital Advertising & Technology Services



- Monetised via:
1. Fee-based income

Social & Digital Media Network



- Monetised via:
1. Programmatic advertising
 2. Direct-sold advertising
 3. Direct-to-consumer (subscription, eCommerce and events)

Acquisition of **Social Chain**

In February 2023, Brave Bison acquired Social Chain, a social media advertising and influencer marketing agency

Brave Bison acquired Social Chain for an initial consideration of £7.7nm, and the business is being integrated with Brave Bison Social & Influencer

Brave Bison acquired Social Chain for three reasons:

1. Social Chain has an excellent roster of Tier 1 clients, including Apple, KFC and Amazon
2. The acquisition of Social Chain significantly increases Brave Bison's exposure to social media advertising and influencer marketing, a key growth area for customer budgets
3. Social Chain has one of the strongest brands in the social and digital advertising industry, having been founded by Steven Bartlett of Dragon's Den



Acquisition of **Best Response Media**

In April 2022, Brave Bison acquired Best Response Media, a specialist ecommerce and mobile development company focused exclusively on the Adobe Commerce platform.

Brave Bison acquired Best Response Media for a total consideration of £1.0mn (£0.4mn enterprise value), and the business is now wholly integrated into the Brave Bison Commerce.

Brave Bison acquired Best Response Media for three reasons:

1. Flexible and cost-effective resource base in Mansoura, Egypt
2. Credentials and capabilities on the Adobe Commerce platform.
Brave Bison Commerce now operates across the full spectrum of enterprise ecommerce platforms (SAP, Salesforce, BigCommerce and Adobe Commerce)
3. New Tier 1 clients including NatWest



Summary

- 2022 was a strong year, with growth driven by a good acquisition, integration and a new customer proposition
- We aim to replicate this success with the acquisition and integration of Social Chain. Progress to date is encouraging
- 2023 has headwinds and trading in H1 is more difficult when compared to the same period last year
- We are excited about the potential of the business and platform, and are comfortable with market expectations

