Suzu Technologies

Converting more sales in the moment.

INVESTOR DECK - DRAFT

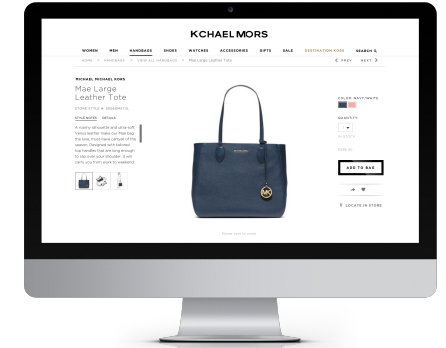April 2016

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Executive Summary

Suzu analyses human behaviour using A.I. to help retailers turn browsers into buyers before they leave the site.

- 97% of visitors to online shops don't become buyers, and retailers struggle to know why.

- Predicting **the WHY of abandonment** allows Suzu to nudge a visitor into becoming a buyer, by offering them a personalised campaign at the best possible time; while they are still on the site, thinking about it.

- We've signed up three retailers, with a healthy pipeline developing. Our client's visitor data is already being used to train our algorithm, with over 20 million data points digested so far.

- We'll launch in April 2016 and charge commission on the incremental sales we achieve for our clients.

- Our founding team consists of a CEO who has 10 years of experience working across 3 continents in technical and commercial roles, winning multiple prizes and scholarships along the way, and a CTO who has a string of startup experience including relevant positions in eCommerce companies.

- We received investment from Entrepreneur First and are being advised by renowned experts in digital marketing and serial entrepreneurs who believe in what we're doing, and that we're the right team to do it.

The Problem
97% of online shop visitors leave without converting

1

Visitors leave without expressing WHY

- Customer motivations are unknown
- Progress in the emotional purchasing process, sensitivity to prices, and loyalty are not explicit
- Conventional analytics focuses on the 'Where' and the 'When' of abandonment

2

Retailers can't ask them

- Most visitors are anonymous
- Emails aren't provided until checkout, and few shopping sites force visitors to log in
- Without an email address, conventional retargeting is not possible

3

Once they leave, the moment is gone

- 39% of visitors look at one or more products but only 12% add to cart
- 74% of cart abandoners intend to return but just 20% ever do
- Visitors are much less likely to convert once they have left the site

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Current solutions to convert visitors *In-The-Moment* **fail** to capture this opportunity

1

Their site analytics ignore behavioural and sentimental context…

Many retailers lack the resources to collect or interpret this data, or suffer from data silos / interoperability issues

2

…so the WHY of abandonment cannot be predicted…

No context or personalisation, with most analytics focusing on the WHERE and the WHEN of abandonment

3

…and conversion campaigns can't be individually tailored or appropriately timed…

Strategies still focus largely on email retargeting or 'dumb discounting', that can erode margins or brand

4

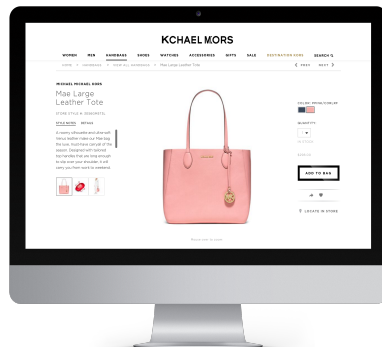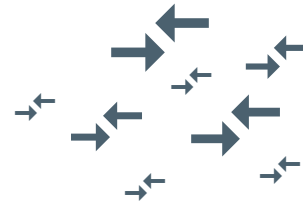**…eventually causing retailers to doubt their effectiveness**

Hard to prove that 'dumb' campaigns are adding alpha and not cannibalizing sales

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Suzu's technology uses A.I to predict the WHY of abandonment

We analyse on-site shopper behaviour...

... to determine if and WHY they are hesitating, before they leave the site

SHOPPER BEHAVIOUR

SHOPPER IS WORRIED ABOUT...

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BEHAVIOUR MODEL

...WHICH COLOUR

...CORRECT SIZE

...SHIPPING COSTS

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Once we know the WHY we can provide a relevant, personalised campaign to convert them in the moment

VISITOR #7268

"WORRIED ABOUT SHIPPING COSTS"

FREE

ADDS TO BASKET

Example personalised campaigns

Worried about postage?
FREE SHIPPING
...if that makes things easier
Add to basket

Not sure which size?
FREE RETURNS
...if you want to order a couple
Add to basket

Just for you...
5% OFF
...for this dress
Add to basket
Offer limited to this coupon!

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Benefits of *Suzu*

"We show the right incentives, to the right people, at the right time"

1.
Converting potential customers while they are still <u>on-site</u> and <u>in the moment</u>, instead of retargeting the 'maybe laters' .

2.
<u>Relevant</u> incentives based on browsing behaviour, not just 'dumb discounting' that may erode the retailers brand or margins.

3.
<u>Intelligently targeted</u> incentives, aimed at high potential abandoners, not cannibalizing converts or irritating non-shoppers

4.
Handling <u>anonymous</u> visitors who have not yet provided their email address or logged in to their account.

5.
Self-taught, machine learning technology that improves over time, led by retailers own data and assisted by Suzu's insights

6.
Quick and simple integration, with results from day one, and no ongoing time commitment from anyone on the clients team

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We make money every time our incentives convert sales

We'll operate on a revenue share model, taking **5% commission** of the value of each additional conversion from browser to buyer.

	Small Customer	Medium Customer	Large Customer
Monthly sessions	100,000	1,000,000	15,000,000
Suzu commission	£700 MRR	£7,000 MRR	£105,000 MRR
Cost of acquisition	£1,350	£8,080	£16,150
Monthly churn	1.75%	1.5%	1.25%
LTV	**£40,000**	**£466,000**	**£8,400,000**

Incremental conversions will be validated using a robust split testing framework, including a control to demonstrate alpha.

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We have a healthy pipeline developing

We're working with

Cultural / souvenirs

Home wares

Men's premium hats

Pipeline
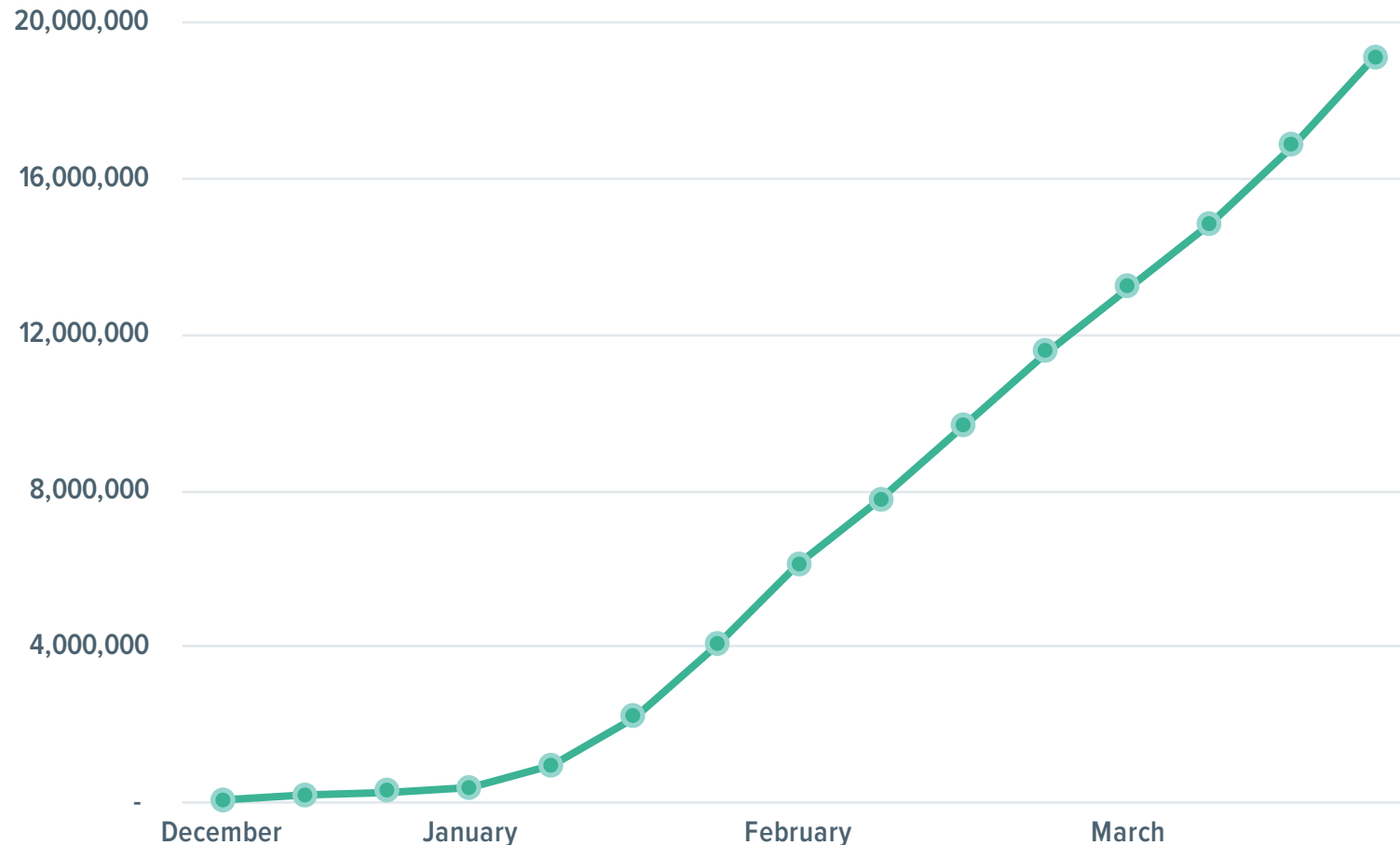(as of 13 March 2016)

227   IN PIPELINE

40   MET / SEEN DEMO

4   NEGOTIATING

3   CLOSED

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20 million real data points already digested

Data Points digested (cumulative)

Thanks to our trusted client relationships we have access to real time site event feeds.

This allows us to gather privileged data on shopping behaviour including clicks, hovers, scrolls, dwell times, product info, device info, demographic info and much more.

We are using the data to train our algorithm, and after only a few weeks we can predict with high accuracy who is interested in buying and who is only on the site for browsing.

All while they are still in the moment.

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Team Suzu

FOUNDERS

Andy Bryant

Co-Founder & CEO

- Former global COO and Head of CRM for an advisory firm
- Strong background in analytics and data science
- 1st Class MEng, endorsed by the Royal Academy of Engineering
- 10 years experience in technical and executive roles

Claudiu Soare

Co-Founder & CTO

- Full stack software engineer
- Strong background in cloud and web technologies
- Co-founded 2 web startups before Suzu
- MEng, Computer Science from the University of Bristol

INVESTORS AND ADVISORS

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Entrepreneur First
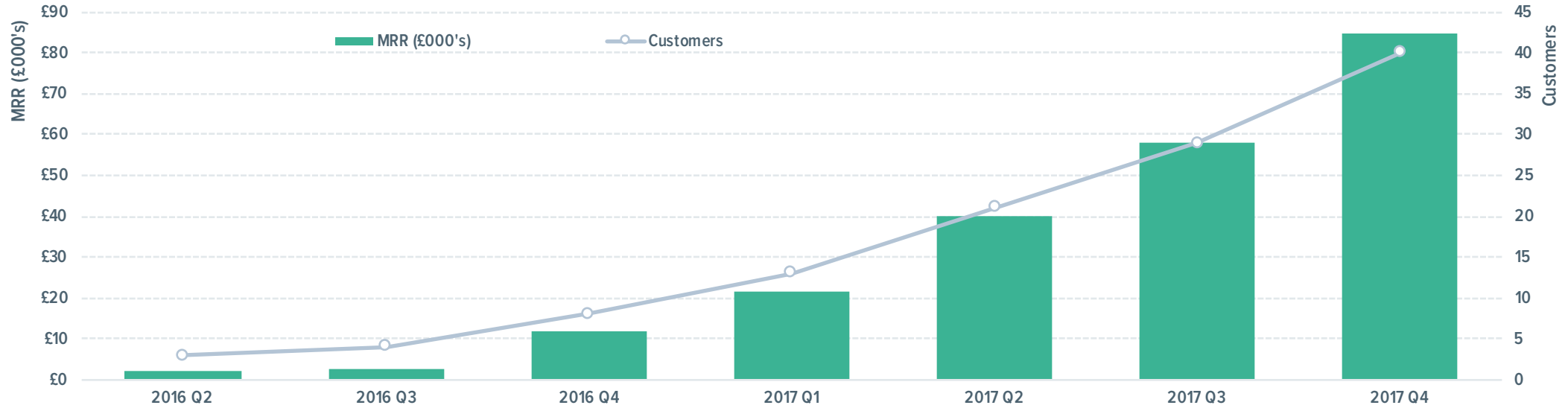
Pre-seed Investment

Dr. Mike Baxter

Founder of Sales Logiq

Consultant at Econsultancy

Special Adviser at Peerius

Philip Wilkinson

Co-Founder of Kelkoo (sold to Yahoo for $500m)

Founded & Exited 2 other e-commerce businesses

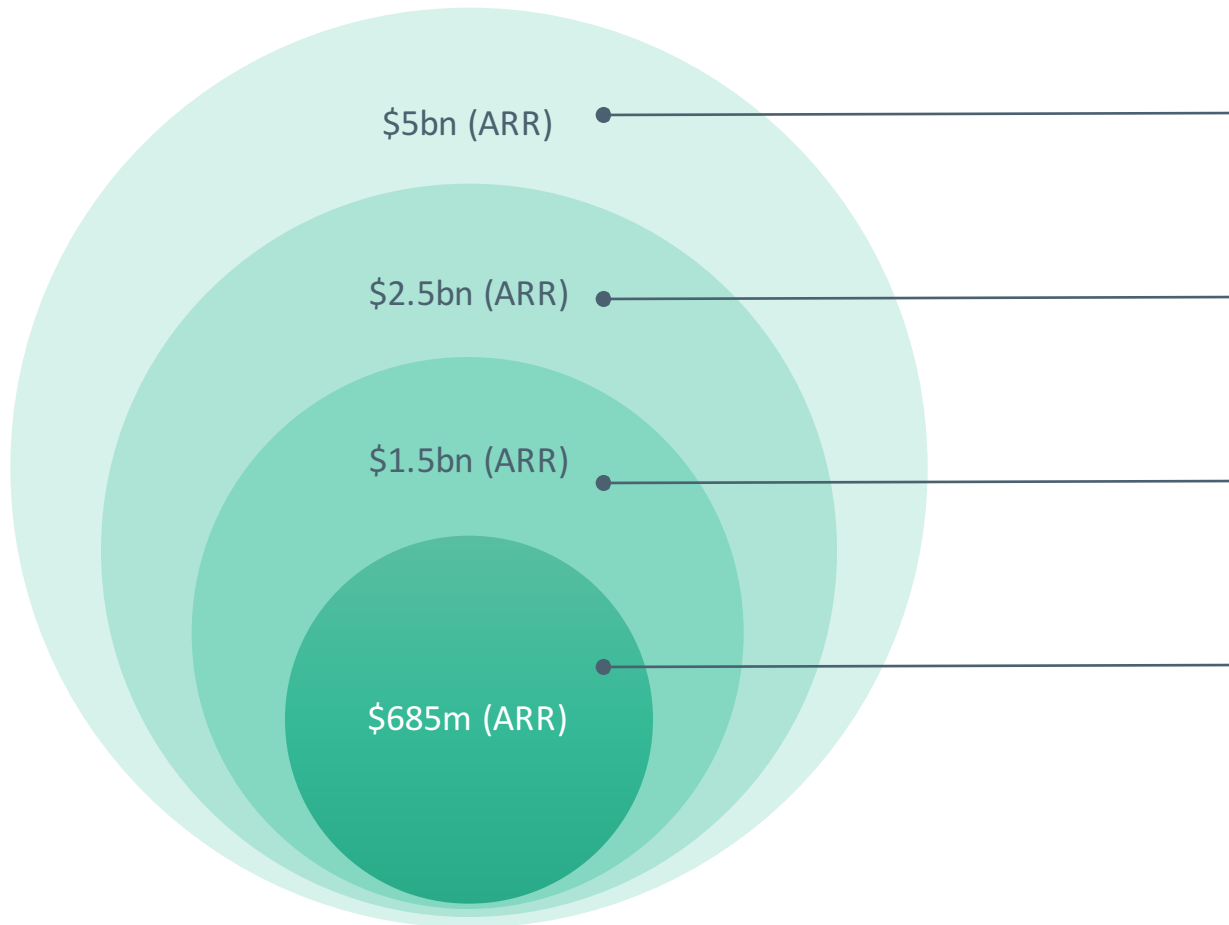Comp Sci / A.I. & Psychology from Nottingham Uni

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18 Month Forecast

	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Product	Complete *Suzu Brain* MVP and launch	Deploy machine learning on campaign layer		Begin R&D into cross-selling / upselling heuristics		Deploy cross-selling / upselling heuristics	Begin R&D into cross-device integration applied to *Suzu Brain*
Sales & Marketing	Continue high-touch enterprise sales	Develop marketing collateral following deployments to first customers		Launch enterprise customer referral program	Begin content marketing to drive inbound sales		Begin large retailer acquisition strategy

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18 Month Forecast

Income and Expenses

■ Income ■ Expenses
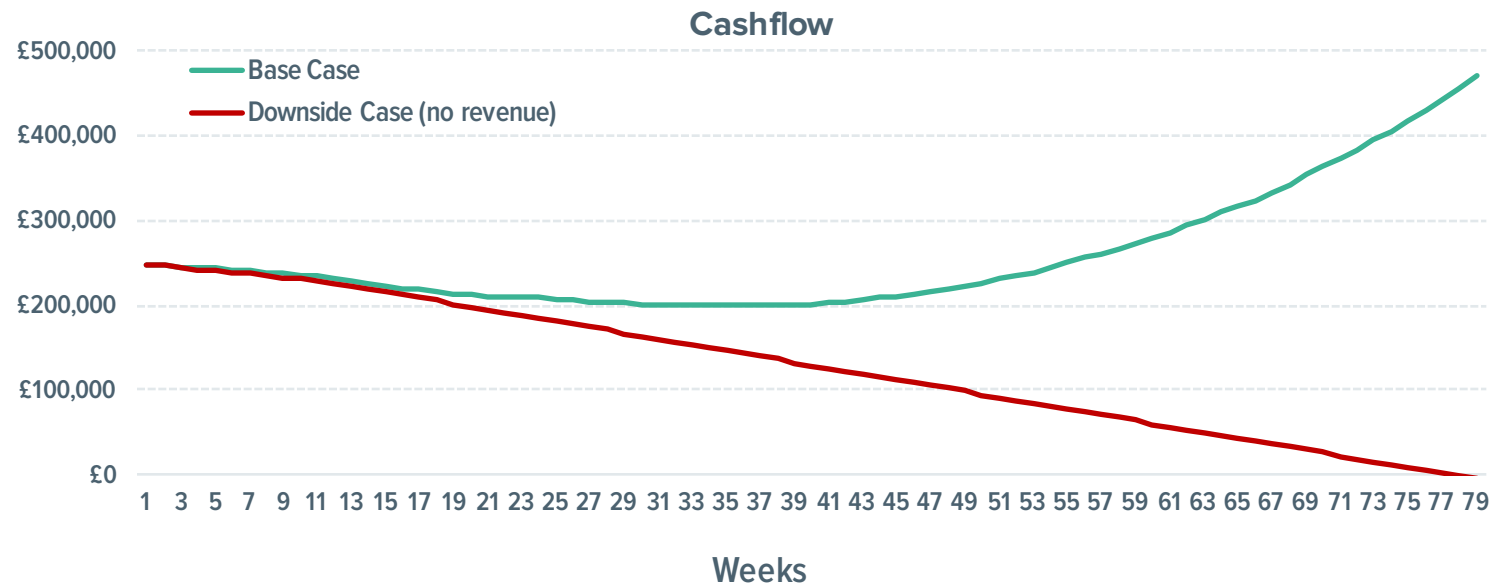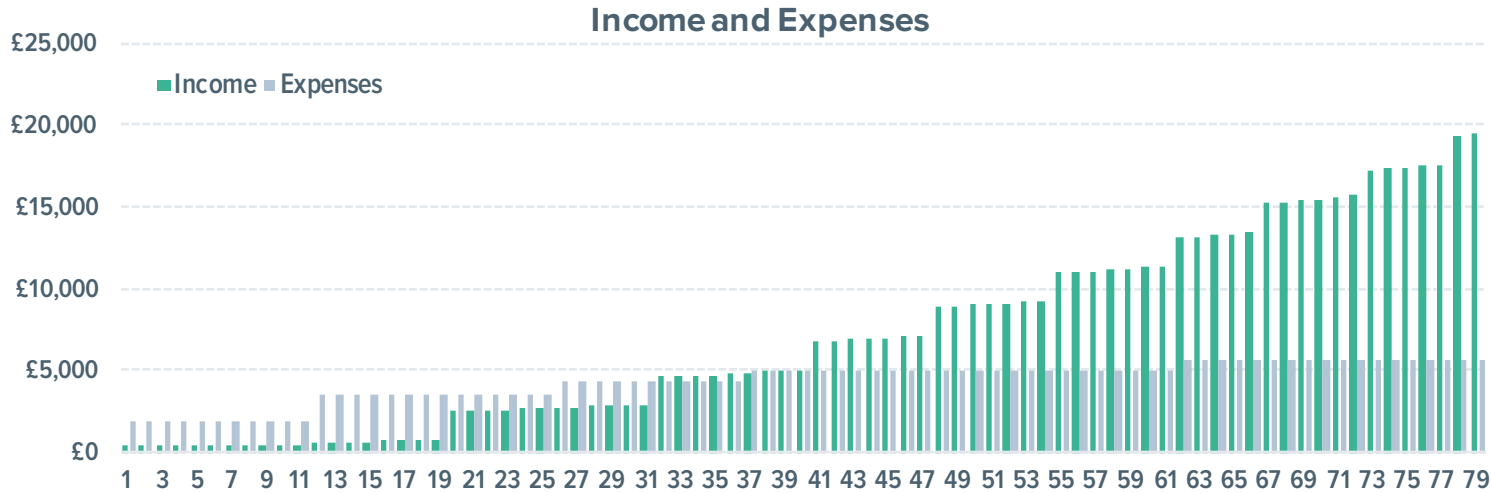
Model Period	**78 weeks**
	(18 months post-funding)
Operationally break even	**Week 32**
Total revenue for period	**£562,000**
Total costs for period	**£343,000**
Profit for period	**£219,000**
Investment Amount	**£250,000**
Lowest balance (base case)	**£199,000**
Max burn rate	**£2,800 pm**
MRR at week 79	**£84,700 pm**
Max. runway (downside case)	**78 weeks**

Cashflow

— Base Case
— Downside Case (no revenue)

Weeks

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Market Sizing

$5bn (ARR)

$2.5bn (ARR)

$1.5bn (ARR)

$685m (ARR)

Total Addressable Market (TAM)
- Global enterprise attainable ARR for Suzu (based on $1tn global market size, 10% achievable e-commerce sales uplift, and 5% commission) [1]

Serviceable Addressable Market (SAM)
- Selected target retail categories (inc. apparel, homeware) representing 51% of global total according to AT Kearney report [2]

Target Market Opportunity
- UK as 8.4% and Asia-Pacific as 52.5% of global online sales – eMarketer[3]

Serviceable Obtainable Market (SOM)
- Target 45% market penetration

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The e-Commerce market enjoys strong tailwinds

UK e-commerce sales

(GBP billions)

£38.8 — 2013
£45.0 — 2014
£52.3 — 2015
£60.3 — 2016F

Source: https://econsultancy.com/

Global e-commerce sales

(USD billions)

$695 — 2013
$840 — 2014
$995 — 2015E
$1,156 — 2016F
$1,328 — 2017F
$1,506 — 2018F

Source: AT Kearney

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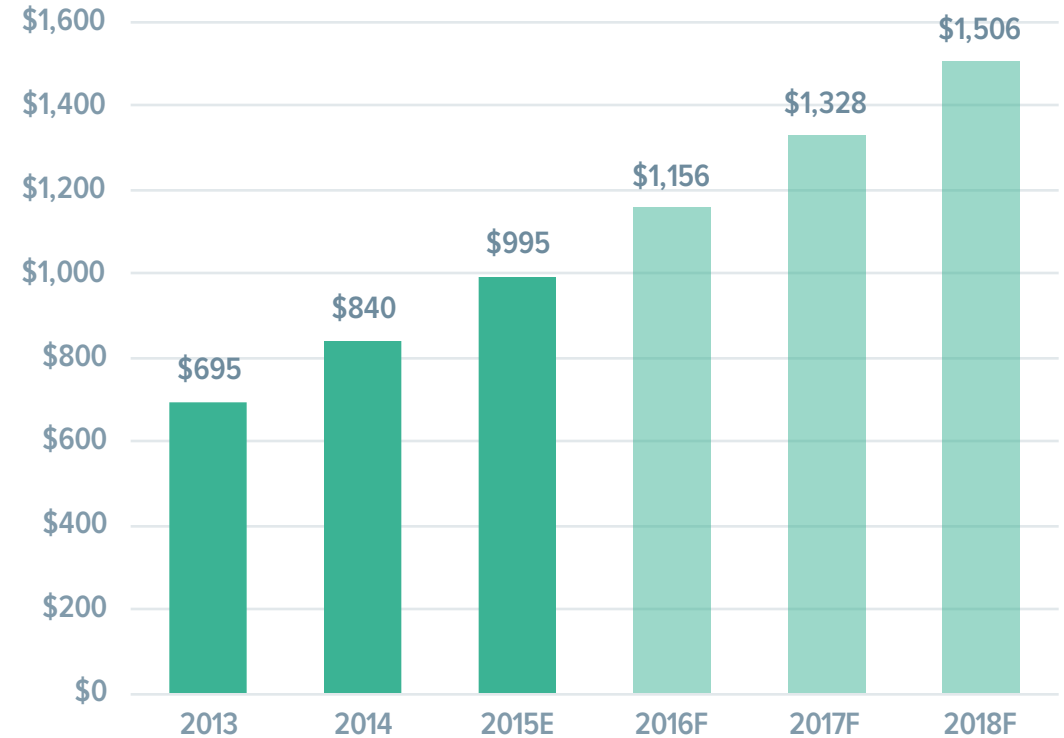
Competitive Positioning

Personalized

Retargeting Emails

There's something in your cart

Retargeting Emails

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Late Stage
Abandonment

Early Stage
Abandonment

SALE SALE SALE!

**General Email
Campaigns**

10% OFF!!

**"Dumb Discounting"
Pop-ups**

Generalized

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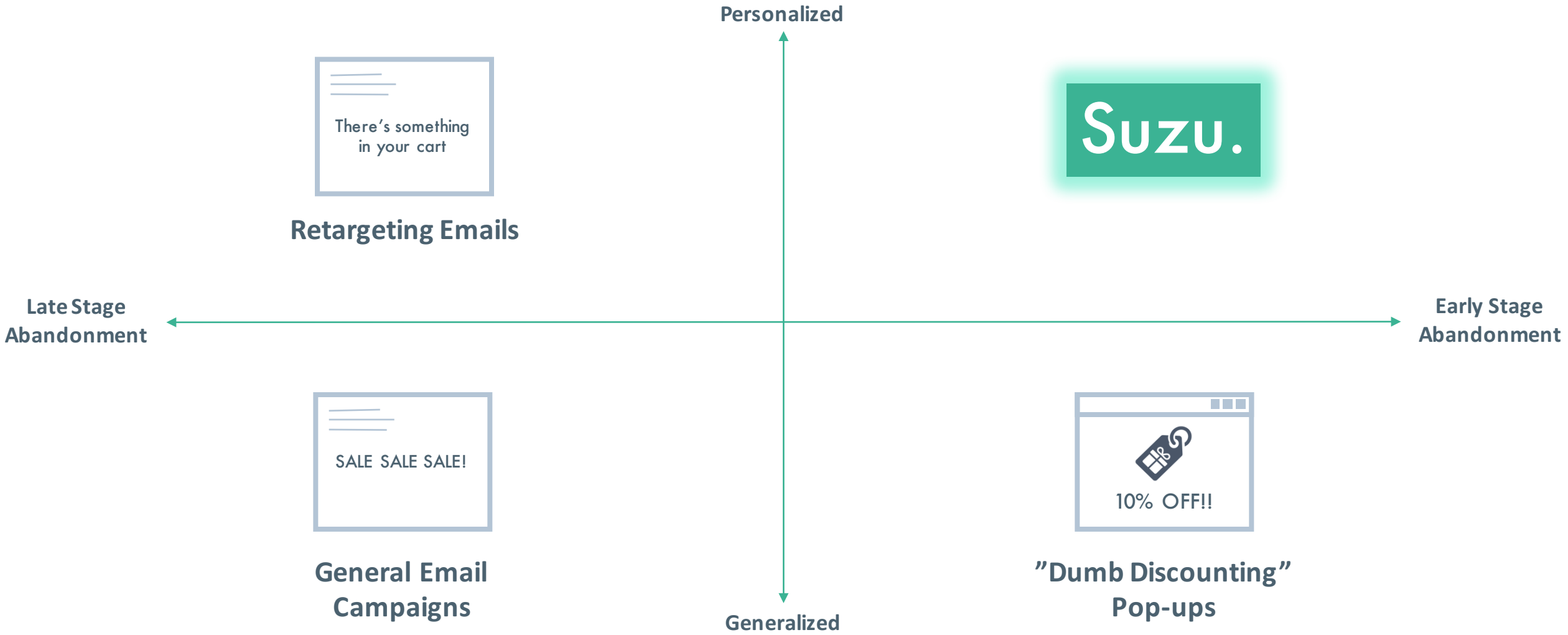
We're raising a seed round to fund client acquisition in 2016-17

15% Operations

35% Sales & Marketing

50% Engineering & Infrastructure

RAISING **£250,000**

Asian Expansion

MILESTONE **£85,000 MRR** BY END 2017
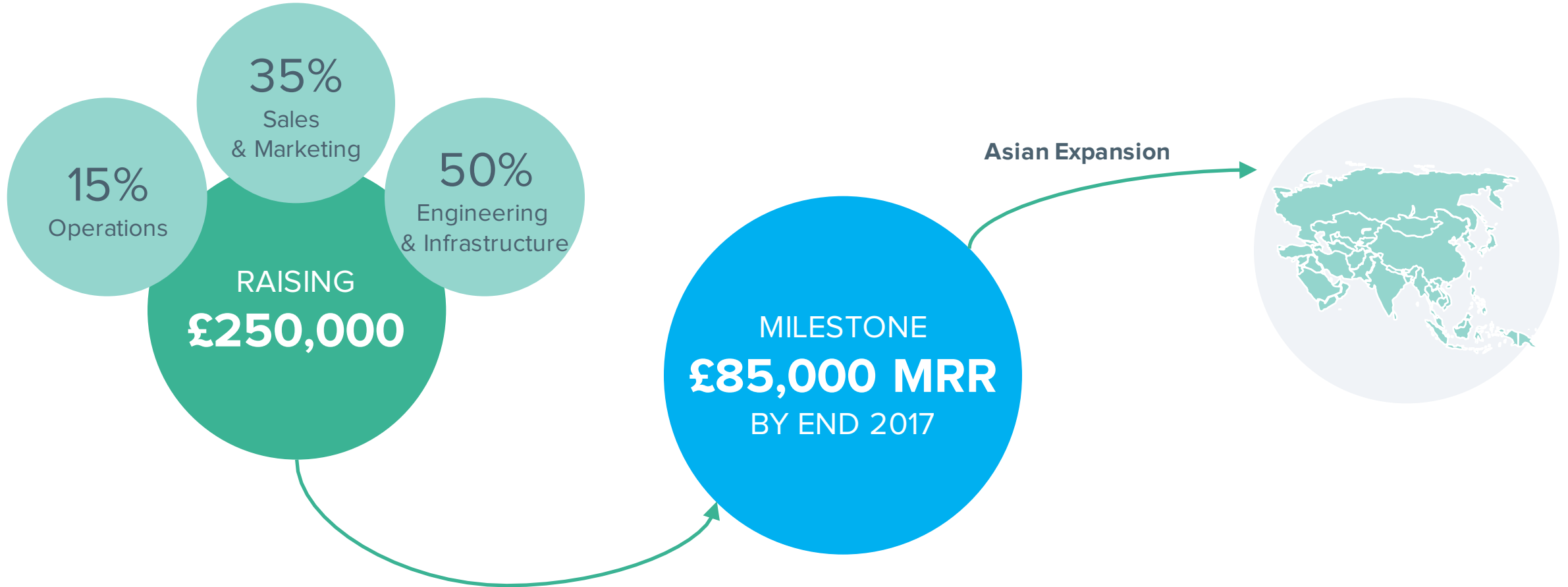
- Estimated 15%-25% equity available pre-seed investment raised in Jan 2016
- sEIS and EIS approved
- Operationally break-even Q1 2017

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Vision
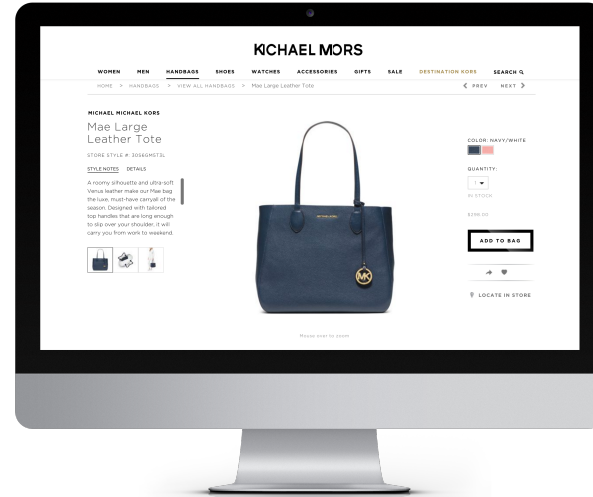
The web browser is the future of personal assisted shopping
(and is currently significantly under-leveraged)

Psycho-analytics

e.g. identifying cognitive biases / behavioural tendencies and guiding these to influence purchasing propensity
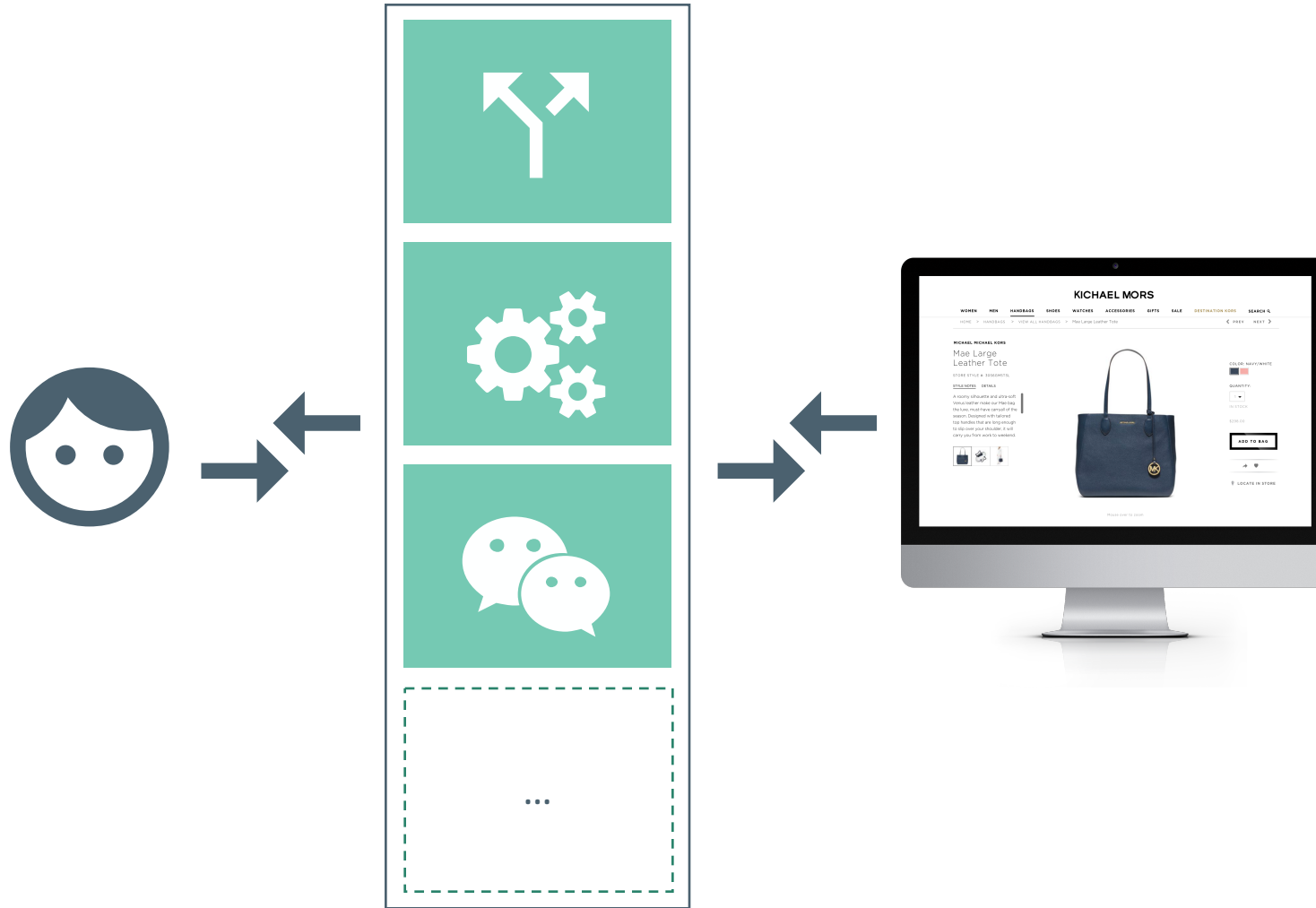
Smart Heuristics

e.g. risk aversion triggers, purchase justification triggers, cross-sell triggers, up-sell triggers, down-sell triggers

Merchandising Automation

e.g. performance merchandising, traffic route optimisation, intelligent bundling, personal recommendations

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Vision

Suzu Assistant

Meet Suzu, your trusted companion for online shopping

The Suzu assistant brings customer delight and higher conversions using consumer-centric assisted shopping techniques.

Available to e-commerce Enterprise clients through a proprietary integrated toolkit.

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