Quarterly Business Review

Agenda Agenda

- Executive Summary + 2023 In Review
- Performance Overview
 - Current Pacing
 - P0s Performance
 - SQL Performance
- Directive's Vision for the Future
 - Moving Up-Market with LinkedIn
 - Increasing Brand Awareness
 - EMEA Market Penetration
- Appendix
 - TAM Verification & Creation
- (Client) <> Directive July ABR

POs & SQLs are Hitting Record Numbers & Decreasing in Average Cost

Hits

- POs and SQLs are hitting record numbers in Q3 with average costs decreasing
 - As of October 19th, we have already eclipsed the previous quarter's PO total by 36% with average cost decreasing by 23%
 - YoY, we've eclipsed the number of POs driven by 9.5% with average cost decreasing by 24%
 - SQLs have increased 33% QoQ and 37% YoY
- We're on pace to reach 300+ SQLs
- High Intent Sales Software terms have solidified themselves as the best investment area for future growth
 - New Product launches have opened up new avenues to competitively advertise in and have made the overall (Client)
 platform more enticing
- Sales Template continues to show its ability to drive SQLs and Customers
 - Investment has increased in this category and it is paying off with the second lowest cost/customer outside of brand in North America

Learnings

- Competitor Campaigns have seen diminishing performance especially when looking at the number of SQLs driven
- With the current efficiency mind-set of the account, additional budget does come with larger diminishing returns as we maximize available impression share
- Paid Search has limited levers when it comes to company sizing by better integrating LinkedIn, Meta + Clearbit, and Programmatic Awareness under one roof, we can build a large cohesive marketing funnel

Performance Overview

Current Salesforce P0 Pacing

Region	P0	Cost/Per	Pacing	Goal	% То
North America	670	\$812.09	762	1,222	62%
EMEA	347	\$520.70	395	383	103%
APAC	63	\$332.33	72	80	90%
Blank	269		306		
Total	1,349		1,534	1,685	91%

Source: Salesforce

This quarter we are pacing to 1,534 total P0s in Salesforce which is 91% to stretch goal.

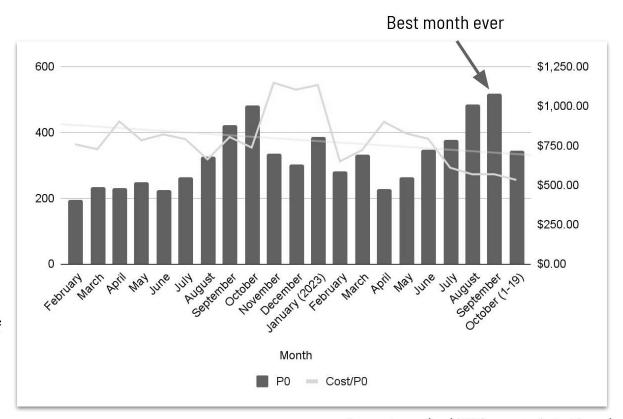
PO Pacing is Increasing as Average Costs Decrease

Total addressable search was our mindset late last year, achieving a high of 483 P0s at an average cost of \$737.52 in October.

September drove a high of 518 P0s at a \$568.69 average cost.

 We beat October's high by 7% while spending \$61,639 less over the month

We've been making refinements and focusing on efficiency since the beginning of the new FY. This last quarter has seen us reach record highs of P0s with some of the lowest average costs.



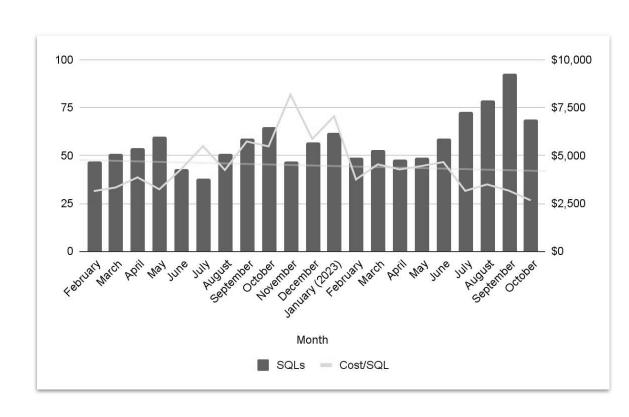
SQLs Have Reached New Heights as Average Cost Continues to Decrease

As the number of P0s grows, we see this translating down the funnel to drive record numbers of SQLs at an ever improving average cost.

Improvements in the Sales Process create a feedback loop for us:

- We have more data points for where SQLs are coming from outside of brand.
- We're able to prioritize budget in those categories & work on those areas that are not driving SQLs as effectively.
- This feeds higher quality users to the sales team and continues to the process.

We would be remiss in not mentioning how new product offerings have made (Client) more competitive & give us greater ability to capture market share.



Factors are Stacking to Culminate in the Results We're Seeing

Deeper Salesforce Integration -> Better Decision Making

Product Launches Creating Awareness & a More Competitive Offering

SDR Team Doing a Better Job of Fielding Quality Leads -> Feedback loop into Search

Increasing Budget by 10% Can Result in 49 POs and 6 to 7 SQLs/Quarter

Sales Software has become our primary area of extra investment and with an extra 10%/month, we would look to maximize that line item before allocating budget out to Competitor & Sales Template campaigns.

Given the current strong ratio of P0 -> SQL in NA Sales Software (17%), we would see 5 to 6 SQLs over the quarter with potentially 1 to 2 more from Sales Template & EMEA Sales Software

North America		Avg. P0 Cost	Q Proj P0	Q Proj SQL
Engage	\$1,000	\$2,182	1	0
Competitor Tier 1	\$1,000	\$2,182	1	0
Sales Software	\$12,000	\$1,438	25	5
Sales Template	\$7,000	\$1,652	13	2
EMEA	,	Avg. P0 Cost	Q Proj P0	Q Proj SQL
Sales Software	\$6,480	\$2,216	9	1
Total:	\$27,480		49	7

Increasing Budget by 25% Can Result in 104 POs and 13 SQLs per Quarter

As we push budgets further, we expect CPLs to increase as we invest in less efficient areas of the account.

Competitor becomes a larger line item and remedying current P0 & especially SQL conversion rates with landing page testing should be done in tandem if not before budgets begin to be allocated out.

North America		Avg. P0 Cost	Q Proj P0	Q Proj SQL
Engage	\$20,000	\$2,273	26	2
Competitor Tier 1	\$6,000	\$2,273	8	1
Sales Software	\$12,500	\$1,498	25	5
Sales Template	\$17,000	\$1,721	30	4
EMEA		Avg. P0 Cost	Q Proj P0	Q Proj SQL
Competitor	\$4,000	\$2,869	4	0
Sales Software	\$8,000	\$2,309	10	1
1				_
Sales Template	\$4,200	\$3,011	4	0

Not All Investment is Equal

As we look at opportunities to increase investment, cost/SQL can be a guiding light for deeper funnel impact.

Sales Software & Sales Template have established itself as that best conduit for future investment.

The Competitor campaigns generate great front line engagement with minimal movement down the funnel.

Video Retargeting has shown much more success being the source of those SQLs & Customers.

			North Ame	rica		
Category	P0s	Cost/P0	SQL	Cost/SQL	Customers	Cost/Cust
Brand	490	\$503	125	\$1,970	34	\$7,244
Competitor	51	\$1,818	4	\$22,947	2	\$45,894
Sales Software	69	\$1,198	12	\$6,839	2	\$41,035
Sales Template	75	\$1,377	9	\$11,476	4	\$25,821
Remarketing	8	\$2,004	3	\$5,345	1	\$16,036
			EMEA	'		
Category	P0s	Cost/P0	SQL	Cost/SQL	Customers	Cost/Cust
Brand	100	\$479	19	\$2,520	2	\$23,944
Competitor	17	\$2,295	0	N/A	0	N/A
Sales Software	30	\$1,847	2	\$27,241	0	N/A
Sales Template	13	\$2,409	0	N/A	1	\$31,323
Remarketing	1	\$5,317	1	\$5,356	0	N/A
			APAC			
Category	P0s	Cost/P0	SQL	Cost/SQL	Customers	Cost/Cust
Brand	55	\$95	10	\$525	2	\$2,626
Competitor	7	\$918	0	N/A	0	N/A
Sales Software	1	\$928	0	N/A	0	N/A
Sales Template	5	\$1,440	1	\$7,200	0	N/A
Remarketing	1	\$1,604	0	N/A	0	N/A

YoY Trends Show Where We're Seeing Average Cost Savings & What is Fueling New Growth

Category		Q3 - 8.1 - 10.19		8.22 - 6.23				
	Cost/P0	Cost/SQL	Cost/Cust	Cost/P0	Cost/SQL	Cost/Cust		
Brand	\$464	\$1,944	\$7,880	\$547	\$1,848	\$6,712		
Competitor	\$1,843	\$33,951	\$67,903	\$1,450	\$7,249	\$57,672		
Sales Software	\$1,389	\$9,820	\$68,740	\$2,639	\$20,813	\$145,695		
Sales Template	\$1,525	\$14,181	\$28,361	\$911	\$16,305	\$25,039		
						,		

Category	P0 % Change	SQL % Change	Cust % Change
Brand	-15%	5%	17%
Competitor	27%	368%	18%
Sales Software	-47%	-53%	-53%
Sales Template	67%	-13%	13%

- Competitor stands out as the largest area for improvement YoY
- We should anticipate both SQL and Customer costs to decrease with more time the long date range back has the advantage of everything being settled for the most part
- Sales Software has seen the most profound change YoY

Search Requires
Someone Taking
Action before We
Can Capture Them

Directive's Vision of the Future

The 3 Pillars of Our Marketing Strategy

Pillar 1 Pillar 2 Pillar 3

Moving
Up-Market with
LinkedIn

Increasing Brand
Awareness
through
Programmatic &
Youtube

Further Market
Refinement &
Penetration in
EMEA

Verified TAM

Moving Up-Market with LinkedIn

LinkedIn is Underutilized for Upmarket Reach

We walked through the advantages of using LinkedIn for an upmarket motion on the ABR in July. Its utility and importance hasn't changed, so we want to update the data and talk about how we see it used effectively across our portfolio.

LinkedIn is potent for upmarket targeting due to the segmentation options it offers, both through direct management and platforms like Metadata.

The current LinkedIn setup is driving high volumes of leads through asset downloads and then remarketing to engagers, which is showing results.

The problem isn't in driving engagement, it's in driving engagement in larger accounts.

What isn't working, and what could work?

TOFU/MOFU Content Drives Lead Volume...



...But is it Creating Enterprise Hand-Raisers?

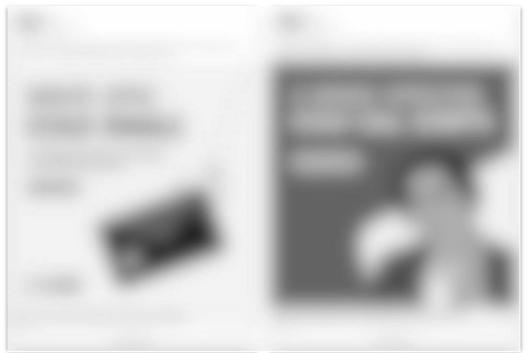
This lead volume is impressive, but is it what will get enterprise decision-makers into meetings?

Are email templates landing deals?

At these costs, they very well may land some economically, but is this content addressing Sales Director or VP of Sales largest concerns at their org?

MOFU Isn't Aligned to Senior Enterprise Titles

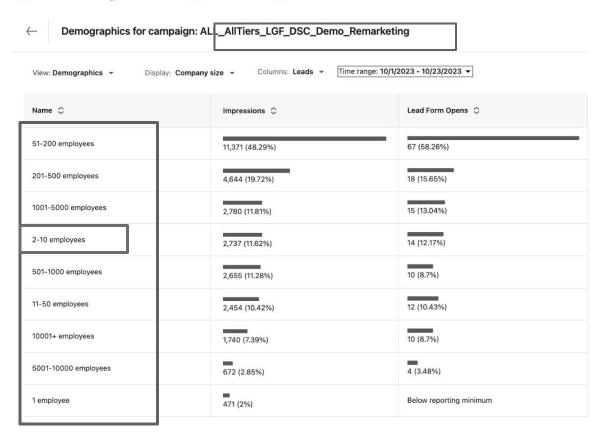
Current MOFU assets targeted into C-level and VP-level sales leadership at enterprise organizations likely are not entirely aligned with their day-to-day concerns. *Great* creative - probably off-base alignment.



We Aren't Converting Many Large Orgs Now...

The current LinkedIn setup, while driving consistent *lead volume*, is predominantly geared toward SMBs and lower Mid-Market.

In the highest-volume remarketing campaign - which ostensibly is to drive demos - 5,000+ organizations are nearly absent.

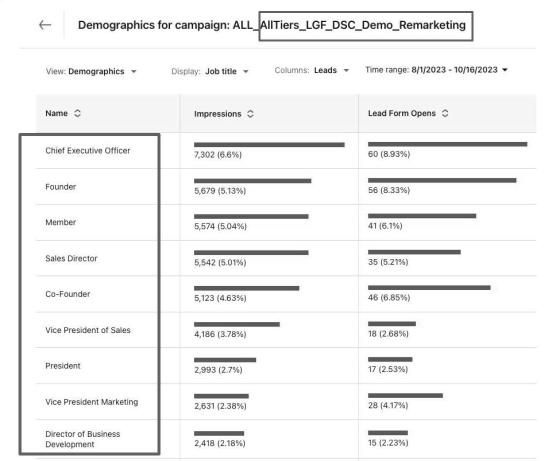


...And We're Hitting a Lot of Unfocused Titles

CEOs, Co-Founders, "Members," Founders, Presidents, etc. are unlikely to bring solutions on board at larger organizations.

Many of these titles dominate the impression volume.

Growing (Client's) depth of reach within a sales organization can be a key driver in engaging with a target company.



Segmentation is Key to Success

Segment the TAM

Separate TAM by company size and job title.

This allows us to craft an ultra specific message to our target audience, and gives us more insight into which segments produce the best returns.

Tier out blue chip and non-blue-chip accounts to increase resource focus.

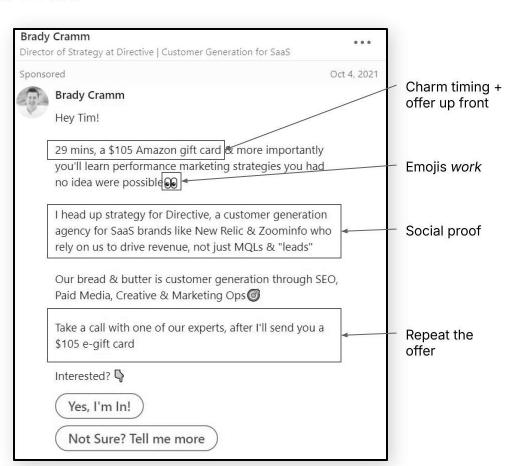


Example Segmentation

Incentivize Conversation Ads

Make the Meeting Compelling

For example, in our own ad copy, we mention our unique value prop, strict focus on software, and our offer (\$105 gift card here) to entices the prospect to take action.

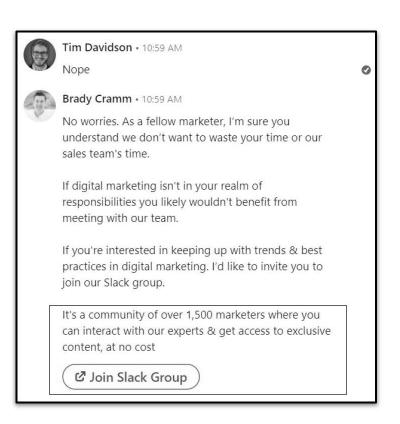


What if They Say "No?"

Everyone Deserves a Second Chance

If a user isn't interested right away, provide a second chance for them to say "Yes."

If they're still not interested, offer something else of value.



Why the Gift Card?

Gift Card Amount	CPL	Conv. Rate	Impr. to Lead	ROI
\$0	\$552	0.52%	0.22%	\$0
\$50	\$330	0.98%	0.35%	\$0
\$100	\$177	1.77%	1.04%	\$2.9M
\$105	\$253	2.70%	1.27%	\$3.4M
\$110	\$300	2.22%	1.00%	\$275K
\$250	\$423	3.11%	1.36%	\$431K
\$500	\$584	8.93%	2.80%	\$389K

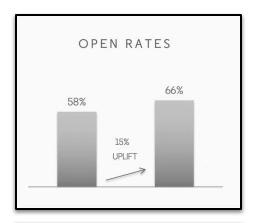
Aggregated from Directive client data.

Amplify the Impact with Sponsored Content

Conversation ad engagement after seeing a sponsored content ad:

- Open rates increase 8%
- Open to click rates increase 22%

Running BOTH SPC and conversation ads increases open and click-to-open rates in conversation ads.





Test the CTV Waters with LinkedIn B2B Targeting

(Client) was invited to the LinkedIn CTV beta. While the inventory here is more limited than a full programmatic option, it would allow the leveraging of LinkedIn's B2B-centric targeting as a default option.

Paramount + ROKU peacock:







Increasing **Brand Awareness** with Programmatic + YouTube

OLD PAID PROGRAMMATIC THINKING

DIRECTIVE PROGRAMMATIC THINKING

Relying on single targeting	Leveraging a combination of variables, such as creative, ad size, time of day/day of week, site, audience, frequency, and the list goes on.
Relying on single dimension optimizations	Media Buyers adjusting campaign across AI, manual, and algorithmic optimizations.
Set-it-and-forget-it and use black box technology	We work to align you with content that is 'brand safe' by using technology (Moat, DoubleVerify & Peer39); but we don't take a set-it-and-forget-it approach. Did you know many Brand safety companies can take up to 7-10 days or longer to flag inappropriate content? We have human eyes looking at sites and apps to ensure the best quality for your brand.
Not reviewing multi-touch attribution	Incrementality & multi touch attribution studies - they always show programmatic is a strong assist for conversions.
Minimal safeguards for Quality Inventory	Hygienic, knowable sites or apps start with well maintained block lists including eliminating "background apps" like Alarm Clocks or Battery Savers.

This is how it integrates with your entire advertising strategy

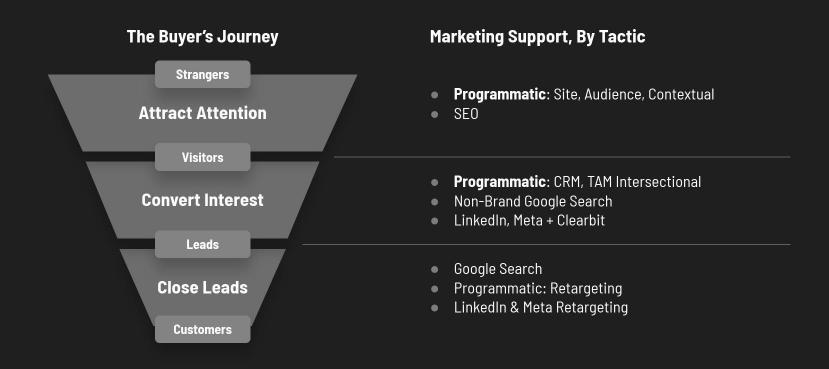
Programmatic advertising is designed to reach decision makers across channels and has a multitude of benefits. Not only does it allow your brand to tell a cohesive story across the entire funnel, it also ensures you reach decision makers who are only active on some channels.

- 19% of advertisers are increasing their programmatic spend due to better ROI and performance.
- 52% of marketers say a benefit of multichannel advertising is that it allows their brand to reach consumers on their preferred channel.
- 41% of advertisers say that multichannel advertising is extremely important across the entire funnel.
- 60% of marketers say their multichannel campaigns meet or exceed their KPIs most or all of the time.

The top channels that marketers use for multi-channel campaigns are:

- Digital Video
- Digital Display
- CTV

This is how it integrates with your entire advertising strategy



This is how we measure success

The only real way we have seen proper valuation given to programmatic is through:

1

Multi touch attribution studies show programmatic is a strong assister of conversions 2

Testing (Before/After) - When running other channels across large geographical areas and add Programmatic to specific regional areas, we can report 10-50% increase in conversions compared to Metros not running Programmatic.

This is very compelling story that Programmatic has a huge incrementally on conversion rates. We would start adding Programmatic to 1-3 more Metros and repeat the results. 3

Using site level tracking (Google Analytics) with UTM codes to measure on site behaviors.

Programmatic is more likely to show better results when we look holistically. We look at metrics, even LTV, CAC or ROAS BEFORE Programmatic and then 6 months AFTER; this provides a % lift.

It's like listening to an orchestra and being asked the best instrument; each one plays harmoniously with the rest and without one the entire sound would be different. 4

The other piece we consider is the DSP level metrics - each channel will show their own story - so we weight that against end metrics as well. Programmatic usually shows really strong DSP conversions so we balance that with GA/CM conversions for example.

Next steps to kick off a programmatic engagement with Directive

1. GOALS

Understanding our clients' goals and determining the success metrics used in programmatic to add incremental value to campaigns' successes

3. ATTRIBUTION

We can create and help you place universal pixels for retargeting and attribution modeling either directly on your website or within your Google Floodlights. We also take the time to look at the path to conversion over time and look at historical data relevant to your service or product. From the time someone is exposed to a Video or Banner Ad, there could be a window of up to 90 days before the individual makes a purchase or interacts with your website.

5. OPTIMIZATING

We look at various factors and paths to conversion along with viewability and video completion rates and use manual optimizations for Sites, Devices, Times of Day, etc while relying on The Trade Desk's Proprietary algorithm, Koa for optimizing Ad Environment(App/Web), Ad Format (Size), Browsers (Safari, Chrome, etc), Operating Systems, Fold Placements and Geography. We also help educate that too many optimizations too early or before there is enough actionable data can actually hurt, and not help performance.

2. STRATEGIC PLANNING

We will work through strategic and tactical solutions that work within the campaign; understanding Programmatic is not siloed but a part of the Holistic Marketing Solution.

Planning includes determining the appropriate investment. "You can't season the Pacific Ocean with a teaspoon of paprika" The investment should align with the size of the audience and geography and we can quide you in these areas.

4. CREATIVE

We have an entire creative team devoted to messaging that captures PEOPLE! We are marketing to humans, afterall

REPORTING

We continue to provide you results once we have enough reliable data, we will review your campaign's performance both at the Programmatic Level and Incrementally/Holistically at a regular cadence based on Investment and enough predictable date we can make decisions on.

YouTube Awareness



Utilize Clearbit Audiences

Clearbit will allow us to create targeted outbound lists that go beyond Google's native targeting.

Test Against Contextual Targeting

Clearbit won't reach everyone so we'll want to supplement & test against Google's native targeting of custom lists.

CPMs

CPMs average* \$22.27 in North America and \$15.17 in EMEA meaning we can target users in a cost effective way.

Brand Lift Study + Search Lift

Whether a broader test or targeted to specific GEOs, we're able to run a brand & search lift quantify the the results.

Deeper Market Penetration in EMEA

EMEA Lags in the PO -> SQL and SQL -> Customer Rate

EMEA is performing on par with North America from a front-line perspective but performance drops off once those users enter the sales funnel.

The movement from P0 -> SQL and SQL -> Customer is leading to far greater acquisition costs in this region, especially on a per customer basis.

\$0	Total	North America	EMEA	APAC
LTV:CAC Ratio	1.87	2.06	1.16	3.09
Total Spend	\$547,317	\$401,404	\$129,730	\$16,183
Clicks	92,225	60,907	27,009	4,309
P0	763	498	220	45
SQL	175	133	36	6
Customer	41	33	6	2
Est. Revenue (Annual)	\$1,024,836	\$4,000,000	\$149,976	
ROI	\$477,683	\$423,597	\$20,270	\$33,817
Cost-per-Click	\$6	\$7	\$5	\$4
Cost-per-P	\$717	\$806	\$590	\$360
Cost-per-SQ	\$3,128	\$3,018	\$3,604	\$2,697
				-
Cost-per-Custome	\$13,349	\$12,164	\$21,622	\$8,092
Click > P	0.83%	0.82%	0.81%	1.04%
P > SQ	23%	27%	16%	13%
SQ > Custome	23%	25%	17%	33%

EMEA Performance Hinges on the UK & Israel

The UK and Israel make up an outsized impact on performance in this region.

Germany is one major opportunity with a large amount of spend but averaging the largest cost/CB:P0 and no SQLs.

Options include concentrating focus and investing in awareness in countries deemed an opportunity for growth.

Location	CB: P0s	Cost/CB:P0s	SQLs	Cost/SQL
United Kingdom	57	\$1,528	10	\$8,720
Israel	31	\$430	5	\$2,667
South Africa	17	\$367	1	\$6,233
Ireland	12	\$450	1	\$5,395
Netherlands	8	\$670	0	\$5,357
Italy	6	\$570	0	\$3,422
Poland	4	\$441	0	\$1,765
Spain	3	\$1,889	0	\$5,668
Germany	3	\$4,263	0	\$12,789
Sweden	2	\$2,331	1	\$4,663
Norway	2	\$632	1	\$1,264
France	2	\$3,087	0	\$6,174
Switzerland	2	\$2,528	0	\$5,057
Belgium	1	\$2,996	0	\$2,996

Localisation & Testing Are Major Opportunities to Continue to Improve this Region

We've begun but have a lot of opportunities to go:

- Further localisation of copy and landing pages:
 - Opting towards British English spelling
 - Regionally relevant testimonials & logos
 - Calling out potentially more regionally relevant features: translations, GDPR compliance, integrations
- Increasing our reach with English keywords showing to users with browser settings in a different language
 - We see signals in our German campaign that users are searching in English no matter their browser setting
- Landing Page testing is going to be one of our best vectors for improvement as we learn what our audience responds to and what they don't
- Investment in Awareness during the holiday season when users aren't actively looking to make decisions
 - This could be video targeting to capture users while they're on holiday with family or deeper investment in content so they fall into our retargeting pools
- Another key item will be getting anecdotal insight from the sales team. EMEA leads lag when
 moving through deeper stages and getting insight into any trends can impact ad & landing
 page copy, targeting, and broader awareness strategies.

Gartner Can Be a Low Cost Option for Targeting Users Actively Browsing Categories

Israel 💙										Add/Remove Countries		es	
		CAPTERRA			GETAPP				SOFTWARE ADVICE (PPC)				
Product	Category	Bid	Est. Avg. Position	Est. Clicks	Est. Cost	Bid	Est. Avg. Position	Est. Clicks	Est. Cost	Bid	Best. Avg. Position	Est. Clicks	Est. Cost
^ Gong.io	Inside Sales	\$0.50	4	-		\$0.50	4			\$0.50	4		
	Sales Coaching	\$0.75	1			\$0.75	1	*	-	\$0.75	1	(4)	
	Sales Enablement	\$1.50	5	1	\$2	\$1.50	5	-		\$1.50	5	(#)	
	Sales Engagement Platform	\$1.00	1			\$1.00	1	-	-	\$1.00	1	(#)	-
	Sales Force Automation	\$0.50	6			\$0.50	6	÷	-	\$0.50	6		-
	Sales Forecasting	\$1.00	1			\$1.00	1			\$1.00	1		
Estimated Monthly	Clicks by Channel				70-90	i i			40-60				0-10

The Gartner Network does not have as much traffic inside the UK, Ireland, and Israel but limited competition makes it very inexpensive to aggressively rank in our top categories.

Thank You

Questions