



Fabulate Pty Ltd
(ACN: 629887501)

A privately held Australian Company

Founded: 2018

Headquarters: Sydney

Industry: Written content creation, dissemination and evaluation services.

www.fabulate.com.au

Capital Raise: \$5m

Valuation: \$15m pre-money

Management:

Toby Kennett:
CEO

Ben Gunn:
CRO

A Covid-19 Perspective:

Digital media consumption in the COVID-19 environment is exploding

Fabulate provides tools and functionality that facilitates all stakeholders within the content creation ecosystem to work remotely.

The Fabulate platform has been designed to remove the friction points in the content creation process enabling much tighter turnaround times.

Fabulate is an online marketplace platform utilising cloud technology that connects brands with quality writers to create branded written content. The platform also provides the tools to deliver that content more efficiently and with greater accountability.

The company is seeking to raise \$5m to accelerate the onboarding of clients through the establishment of a sales team and future platform enhancements. This agenda resonates with the opportunities created by the Covid-19 virus.

Fabulate's mission is to create a sustainable ecosystem for quality content creation. As digital publishing continues to be disrupted by Facebook/Google publishers will need to look for new solutions to deliver the same volume of content to their audiences. However, content is hard to create, hard to manage and hard to measure.

Fabulate draws inspiration from the most widely used features of communication and workflow management tools, to ensure easy collaboration between customer and creator.

The process employed by the company involves the posting of a publishing brief by a client; writers bidding for an assignment by creating a pitch; the selecting of the most appropriate pitch by the customer; the creation of content by the successful pitch writer; its publication to selected targets; and its market evaluation utilising a unique proprietary technology. A process that is estimated to be 58% faster than the forty-five day 'pitch to publish' average experienced in the industry today.

The company's platform has launched utilising successful market tests. It has access to 3,000 freelance creators and has generated a strong pipeline of quality clients. These clients have generated strong revenue performance through the employment of Fabulate's three-dimensional business model.

The Fabulate management team has deep media and technology experience, a proven track record of delivering results underpinned by a well-developed vision to succeed.

With the technology platform completed and initial market traction proven, Series A capital will be used to execute on the Australian sales and marketing strategy immediately before entering the UK marketing in July 2021.

With Fabulate, clients can now produce the same publisher quality content faster with less people involved and at a fraction of the cost.

Opportunity

Fabulate connects customers (brands, advertising agencies and publishers) with professional, vetted, freelance creators (journalists) to outsource content jobs. The platform seamlessly manages the process from pitch to publish and measures the content's effectiveness.

Content is any form of communication that is used to educate, influence and/or inspire customers or potential customers. Content can take many forms and uses many mediums to communicate. With an increasing number of touchpoints, brands need to be on the front foot producing content to educate, persuade and inform their customers through written, email, visuals, video, and multimedia content.

Australian content marketing revenue is forecast to be \$1.27b by 2021, 39% of which is forecast to be spent on content creation (with the remainder spent on distribution). Written content accounts for 55% of total content creation budgets and in 2021 will be worth \$278m in Australia. Digital branded content is set to grow at a 32% CAGR between 2018-2022, faster than social, search and video! Globally content marketing revenues are forecast to hit \$55.1B by 2021. Covid-19 has produced a consumer flight to on-line consumption which will only strengthen demand for Fabulate services as publishers and agencies, now more than ever, look for additional revenue streams. These market movements help to fast track publisher on-boarding for Fabulate's distribution product.

The supply of content creators has dramatically increased with resource heavy publishers having to reduce head count. The current high-touch nature of content creation and the sheer number of people required at a publisher to deliver has been making the cost of content skyrocket. The economic circumstances generated by the Covid-19 virus has escalated publishers down-sizing their organisations. As a result, Fabulate is seeing an influx of requests from quality journalists to join the platform. A robust vetting process means that Fabulate on-boards only the best talent with the right experience to create content on behalf of brands. Getting the right creators, is more important to Fabulate than getting the most creators.

The Solution

Fabulate delivers a creator network, a content management system, measurement tools, and a distribution network.

The design of the content management system has drawn upon the significant strengths of the Fabulate team who understand the difficulties of content creation.

The company has delivered a technology that captures data from the readers experience of content. This is a unique solution to market situation where there is currently no accepted industry standard for measuring content effectiveness. The data and insights Fabulate capture, measured via the platform, improves the results and outcome of the next job.

Directing people to consume content is as important as the creation of it. Content fuels the sale of distribution. With Fabulate's new Distribution capabilities, they have created the ability to seamlessly publish and distribute content created on the platform via the company's preferred partner network. The first step towards true "Programmatic content". The Distribution model works for the company's preferred publishing partners as it increases the profitability of their media campaigns and reduces their project management requirements.

Fabulate creates considerable benefits for both the company's brand customers and its talented pool of content creators.

Fabulate make it easy for brands to go from production to distribution – at the click of a button, all from within the Fabulate platform.

In Market

The Fabulate business model derives revenue from four sources; a project fee, a transaction platform fee, a subscription fee and a revenue share model. The project fee is earned through 'Fabulab' workshops, an onboarding process that assists clients in planning their content strategy to optimise their return on investment. The company earns a transaction fee on each piece of content created through the marketplace. Alternatively, clients can pay a monthly SaaS subscription fee to utilise the unique project management and measurement tools for internal projects. Fabulate then have the capacity for

an optional upsell to clients which involves the distribution of their content throughout Fabulate’s own publisher network– in this case the Company earns a revenue share fee on the marketing spend.

Fabulate has been successfully growing the number of clients on its platform. The average transaction basket size (i.e. the number of pieces of content) and the value of those pieces (i.e. the average piece being purchased is becoming more expensive) are both increasing. Customers are becoming more comfortable with the platform, they are ordering more content, and the content is longer/more expensive over time and so Fabulate are achieving both top line growth and internal margin growth which will ultimately increase the company’s bottom line.

The company’s sales and marketing to date has comprised of utilising their extensive existing network relationships. This has involved focusing attention on heavy users (agencies, publishers and clients) of ‘content marketing’ and how the Fabulate platform can further power and enhance their existing operations. This approach has yielded commercial partnerships with many of the top advertising agency groups in Australia including, WPP’s Group M and Hogarth Australia, Omnicom and Publicis Groupe as well as Australia’s top publishers including News Corp Australia, Nine Entertainment, Seven Network and Ten Network in addition to multiple independent agencies and direct relationships with marquee brands such as Mirvac and Stockland. These engagements are valued at \$6m+ for FY21.

The Future

Future prospects are extremely strong as the business is very scalable because of the significant network effect stimulated by the business. Moreover, the company will evolve the product offering to include a low touch ‘self-service’ model aimed at capturing the vast SME market. A comprehensive technology development program will broaden the scope of Fabulate products, optimise the user experience and enable a market ready platform to be rolled out to targeted international markets. This is an area of business in which the proposed capital raise can make a significant impact on future company performance.

Capital Requirements

Fabulate has previously received a Convertible Note capital injection of \$350k. The company is now seeking to raise \$5m at a \$15m pre-money valuation through the issue of Series A preference shares. The Company will use the funds to execute on its Australia sales and marketing strategy and initiate global expansion plans starting with the UK in July 2021.

Financial Projections

	FY20	FY21	FY22	FY23
REVENUE	308,523	6,295,723	29,708,064	59,835,847
COGS	(129,734)	(4,424,394)	(20,844,665)	(39,976,686)
GROSS PROFIT	178,789	1,871,328	8,863,399	19,859,161
	57.9%	29.7%	29.8%	33.2%
EXPENSES	(676,449)	(4,607,595)	(6,907,463)	(7,087,971)
OPERATING PROFIT	(497,661)	(2,736,266)	1,955,935	12,771,190
	-161.3%	-43.5%	6.6%	21.3%
TAX	-	-	-	(3,460,053)
NET PROFIT	(497,661)	(2,736,266)	1,955,935	9,311,136
	-161.3%	-43.5%	6.6%	15.6%

For a full Investor Presentation please contact:

Ross McDowall (Sydney) at ross.mcdowall@bluemountcapital.com (Tel: +61 (0)417 481 519)

BlueMount Capital (Sydney) Pty Ltd ACN 098 335 445 Authorised Representative for AFSL 230680

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