

Fadel Partners, Inc.
('FADEL', the 'Company' or, together with its subsidiaries, the 'Group')

Update to FY 24 Trading Expectations

FADEL, the leading provider of cloud-based brand compliance and rights and royalty management software, provides an update to trading expectations for FY 24.

As noted in the Half Year Trading Update on 31 July, 2024, the timing of new business deal closings, new products entering the sales pipeline, and the variability in IPM Enterprise license revenue recognition under U.S. GAAP have added complexity to achieving accurate revenue forecasts.

These complexities have continued and the Board now revises its revenue forecast down to 13.0m, with an EBITDA loss forecast of approximately 4.0m. This revision is primarily due to the following reasons. Firstly, the Company has received notification of the loss of a significant RFP-based new customer opportunity that was anticipated to close in Q4-24. Additionally, an existing large Enterprise customer informed us of a delay into 2025 of a major technology upgrade project that was expected to drive incremental Services revenue in Q4-24. Lastly, as referenced in our Half Year Trading Update, we have been in discussions with a publisher customer, based in France, regarding overdue accounts receivable. Although the customer has now agreed to pay all outstanding invoices for previously completed work and has committed to our multi-year project roadmap, the negotiation has resulted in a reduced estimate for Q4 service revenue associated with the next phases of their multi-year implementation.

Despite these revenue challenges, we are reaffirming our expected forecasted cash balance to be in excess of 1.3m as of 31 December 2024.

New and Renewal Sales Progress Update

While revenue expectations for FY 24 have been reduced, we can report improvement in our go-to-market trends compared to FY 23. As of today, we have secured 1.3m in gross new License ARR bookings year-to-date, which is more than twice the 0.6M gross new ARR booked for the full year 2023. This growth spans multiple product lines. This year, we have added five net new IPM customers (including both Enterprise and LicenSee), four net new Brand Vision Rights Cloud customers, and five Brand Vision upsell opportunities, primarily driven by the adoption of our new Content Tracking module.

With our largest customer renewals scheduled for the final quarter of the year, we are pleased to confirm that for each customer we have received at least a verbal commitment to renew, with several agreements in final review stage or already signed. We therefore do not anticipate risk of logo churn related to these in-process renewals.

FY 25 Cash Outlook

We plan to give guidance for FY 25 following the release of our FY 24 results in early 2025. Preliminary cash forecasts for 2025 give us confidence that we will have sufficient cash to fund business operations throughout the year. This expectation is based on recent customer wins, expected new business in 2025 from today's sales pipeline, and the introduction of cost-saving initiatives beginning immediately. In addition we continue to have access to our existing 1m credit facility against which we have not yet drawn in 2024.

The Company will issue a further Trading Update in January following the year-end.

For further information please contact:

Tarek Fadel, Chief Executive Officer
Ian Flaherty, Chief Financial Officer

Cavendish Capital Markets Limited (Nomad & Broker)

Tel: +44(0)20 7220 0500

Jonny-Franklin Adams, Abigail Kelly, Rory Sale (Corporate Finance)
Tim Redfern, Sunila De Silva (ECM)

FADEL Strategic Communications

Devi Gupta - press@fadel.com

About FADEL Partners Inc.

FADEL is a developer of cloud-based brand compliance and rights and royalty management software, working with some of the world's leading licensors and licensees across media, entertainment, publishing, consumer brands and hi-tech/gaming companies. The Group combines the power of rights management and content compliance with sophisticated content services, AI-powered visual search and image and video recognition.

FADEL has two main solutions, being IPM Suite (for rights and royalty management for publishing and licensing) and Brand Vision (an integrated platform for Brand Compliance & Monitoring that includes Digital Asset Management, Digital Rights Management, AI-Powered Content Tracking, and a Content Aggregation platform with over 100 million Ready-to-License Images).

The Group's main country of operation is the United States, where it is headquartered in New York, with further operations in the UK, France, Lebanon, Jordan and India.

the UK, France, Lebanon, Jordan and India.

For more information, please visit the Group's website at: www.fadel.com.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rs@seg.com or visit www.rs.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTFQLLBZFLZFB