



NextUp Comedy Ltd

# Business Update

Q2 2020

Strictly Private and Confidential



## Founders' Summary

Over the last few months, we've continued to build upon the success we found in the first quarter of the year - growing our subscribers and revenue to new heights, whilst continuing to support the comedy industry.

Whilst in-person live comedy gigs are restarting, we expect it to be many months before things return to how they were. Our goal is to keep rolling with the ever-changing landscape, generating comedy shows we know members will love - whether it's our live streams, original formats on Twitch or our month-long virtual comedy festival that received a Government Innovate UK grant, we're determined to keep amplifying live comedy for members to enjoy wherever they are.

Despite the challenging climate - there have been many positive learnings, partnerships and developments, specifically live gig streaming being normalised for venues, comedians and comedy fans. This will play a key role in our upcoming platform upgrade and allow us to bring venues more into the fold.

This month, we will be launching our latest funding round at a higher company valuation to reflect our progress since last year. This will be led by our existing main investors Velocity and we encourage all our existing shareholders to invest alongside them to help fuel our growth.

Thank you for your continued support and interest in NextUp, we hope we're bringing you some positivity during these times - be it by increasing the value of your shares in NextUp, or by streaming great comedy - ideally both!

*Daniel Berg, Sarah Henley, Kenny Cavey and Stuart Snaith*  
The NextUp Co-Founders

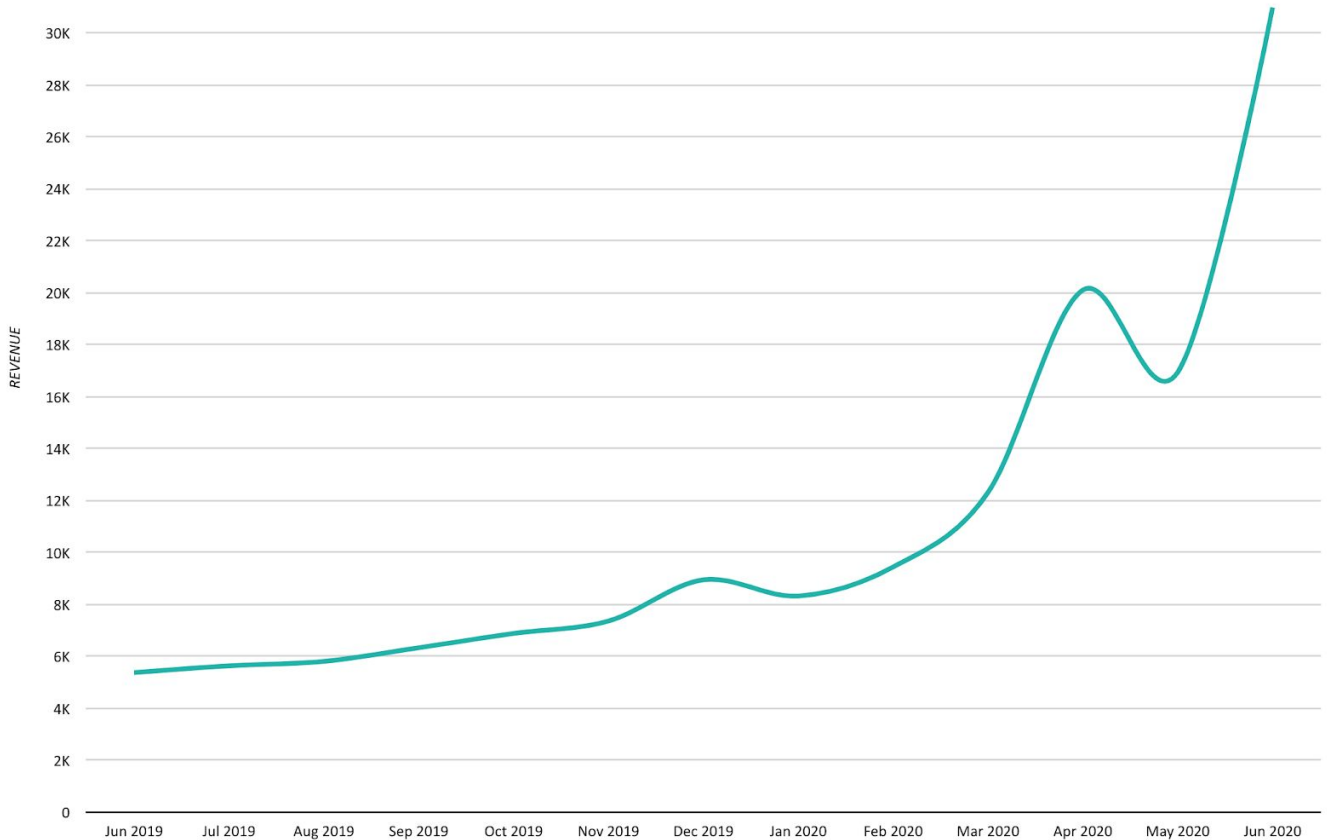


## Subscribers

- Our customer lifetime value has almost doubled from £45 in January 2020 to £86 as of today.
- In January 2020, 15% of our native members were *annual* compared to *monthly*, now they make up 55%.
- Our user base has grown to a new high of 4,900 paying users. A 58% increase from January 2020.
- Our monthly subscriber billings have increased from £8k in January to over £30k in June. The graph below shows this upward trend. The two spikes are related to our multiple COVID-19 initiatives and our comedy festival, both of which we will continue to run throughout the year.

### Graph: Subscriber Only Billing (£)

(see below for new revenue sources, not included in the graph)



## New Revenue Sources

Over the last quarter, we've opened up a number of additional revenue streams, including:

- **Comedy Festival:** Our own virtual comedy festival brought in £21k of individual ticket sales and 500 new users.
- **Corporate Gigs:** We've run virtual corporate comedy gigs for o2 Priority Moments, Innocent smoothies and other corporate clients, totalling £15k.
- **Government Grant:** We received an Innovate UK Government grant of £45k.
- **Comedy Consultancy:** As experts of live comedy untied to specific talent agencies, brands are starting to use us as a consultancy service to advise on which comedians to use for adverts.

- Streaming: During all of our live streams, optional pledges totalled over £5k from viewers.
- A-VOD: We're testing an advertising supported model rather than subscription in India.



## Marketing

### Organic Marketing

- [The NextUp Comedy Festival](#) ran every day throughout July and gained us over 500 annual members.
- We launched on [Firework](#) which is a Tik-Tok style platform with a reach of 300m monthly users.
- We launched a resource-light [podcast](#) with 4 initial test episodes to increase our exposure.
- Ticketed virtual gigs are set to continue after July with high profile names such as [Tim Vine](#).

### Comedy Industry Partners

We've recently partnered with some of the biggest comedy venues and organisations in the UK to help support them during COVID-19 whilst promoting NextUp. They include The Comedy Store, Glee, Up The Creek, 99 Club, Vault Festival, Funny Women, Boat Show Comedy - totalling a user base of over 350,000 users. All of whom we're looking to continue working with in the future.

### Promotional Partners

Similarly, we've also partnered with numerous brands who have offered NextUp to their users. They include: The Times+, The Telegraph, Revolut, Wowcher, o2 Priority, Money Saving Expert and Popbitch. We've also secured a huge partnership with one of the world's biggest fast-food brands for us to be part of their Monopoly promotion next Easter.

### Paid Social Media Advertising

We've maintained social media spend and have consistently delivered paid customers for a £25 cost per acquisition, often much lower too - around £15, which puts us in a very powerful position to scale given our £86 customer lifetime value.

### Press Mentions

Thanks to all of our organic activity with NextUp Now and the Comedy Festival, we've been featured numerous times in the press. Examples include: [The Guardian 1](#), [The Guardian 2](#), [The Guardian 3](#), [The Times](#), [The List](#), [The Evening Standard](#), [This Week London](#), [The Daily Mirror](#), [Chortle 1](#), [Chortle 2](#), [Beyond The Joke](#).



## Content

- Despite there being no live comedy to film and a reduced content budget, we've maintained a release schedule of one show per week for members to enjoy. A huge achievement given the circumstances.
- Our first original format, 'Doorstep Comedy' is being filmed next month.
- Our livestreams of comedy during lockdown on Twitch/Facebook Live ('Nextup Now') generated both convertible content for use directly on the platform (over 90 shows and new 4 new formats) as well as a variety of new contacts and opportunities with industry partners whom we are now actively collaborating with on forthcoming projects. It also boosted awareness of the NextUp brand significantly amongst comedy fans.

- A refreshed content strategy for 2020 & 2021 has been developed with a new focus on partner incentives for content, reducing in house production whilst increasing content to the platform.



## Community

- Our [‘Heckle the Virus’ fundraiser](#) to support comedians during COVID-19 closed with an all-day virtual gala featuring some of the biggest names in stand-up. We raised over £120K and generated huge engagement and goodwill from within the industry and beyond.
- We increased our platform engagement by over 50% which we expect will reduce user churn.
- We part-produced two podcasts for acts on our platform, [Ria Lina’s Behind](#) and the [Tiredness Kills Podcast](#) from Delightful Sausage. Both of which boost the NextUp brand whilst championing non-mainstream performers.
- We’re members of the newly formed industry group: The Live Comedy Association (LCA).
- We were part of the judging panel for Funny Women Awards 2020.
- Our social media following on Twitter has increased 30% over the last 3 months, with our other social channels growing too.



## Platform

- We’re looking to upgrade our platform to feature comedy venue sub-environments. These will allow venues to showcase their brand alongside their on-demand content AND live-stream directly into the platform, earning them revenue and exposure.
- The ability to create custom payment packages is being added in Q4 2020 that will give editorial publications the chance to create a customised checkout processes.
- We will also be increasing our compatibility with distribution partners to enable growth via Telcos.
- Further user features will be being launched towards the end of the year, with gamification mechanics for increased anti-churn elements as well as sharing capabilities.



## Team

- The team have continued to adapt well to working from home.
- We are assessing future office setup options that will take the best from home and office life.



## Distribution

- We have launched on MX Player - an advertising backed video platform in India with 280m monthly users.
- A subscription video-on-demand platform with over 1 million users that’s focussed on British content is exploring our content catalogue with a view to licensing a selection of our titles.
- Apple TV Channels is still in progress and taking longer than hoped due to a backlog of on-boarding.
- Ovo, an Australian Telco are offering their users a selection of 50 of our shows - boosting the NextUp brand in a new territory.
- Our new platform upgrade in Q4 2020 will allow us to take advantage of the various distribution opportunities that are currently held up. Once activated, these will carry our subscription offering into homes via set-top TV boxes and Smart TVs.



## Investment Round

- To maximise our growth, we are launching an investment round.
- £500k worth of shares can be issued at a pre-money valuation of £5m (up from £3.5m in 2019).
- The round is being led by Velocity who are investing at least £100k with a view to positioning us for their Series A fund that launches in 2021, making this potentially the final opportunity to invest in NextUp.
- The round will be facilitated via our private network and through a Crowdcube campaign which will run for 30 days starting in late August.
- All existing shareholders will have the opportunity to take up their pre-emption rights and invest further.
- Once our crowdfunding round is open - you will be invited to the 'private window' to invest into NextUp.
- If you have any questions ahead of our late-August launch date, feel free to get in touch.



## Help Grow NextUp

- As with all funding initiatives - we are keen to utilise our existing network. If you have any contacts that might be interested in investing and being part of 'The Home of Live Comedy' please send them this link:  
[nextupcomedy.com/joinus](https://nextupcomedy.com/joinus)