



Please find below our weekly update covering themes that we feel that are of interest to investors and participants in the small and mid-cap TMT sector as well as commentary on recent newsflow. The cost of Allenby Capital's research on individual clients is paid for by our research clients.

*For the purpose of MIFID II, the content of the following email qualifies as “non-substantive material or services consisting of short-term market commentary on the latest economic statistics or company results” and so can be treated as ‘acceptable minor non-monetary benefits’ and not as ‘chargeable research’ per the European Commission’s Delegated Directive of 7.4.2016.*

## **Allenby Capital TMT Update - 20.07.20 - BIRD.L, MWE.L, MIRA.L, BBSN.L**

### **Blackbird plc\* (BIRD.L, 17.5p/£58.8m)**

#### **Contract win: NHL uses Blackbird for remote video production (20.07.20)**

- Contract with the National Hockey League (NHL) for the use of Blackbird for remote video production capabilities as part of the NHL's Return to Play plan. The NHL's remote production team will use Blackbird's professional-grade editing toolset on a wide variety of live and produced behind the scenes content that includes the 2020 Stanley Cup Qualifiers and 2020 Stanley Cup Playoffs. Content will be published to the NHL's digital and social platforms and distributed to the NHL's own internal production personnel, NHL teams and media partners for re-purposing.
- The NHL is the world's pre-eminent professional ice hockey league comprising 31 clubs (24 in the US and seven in Canada) that compete for the Stanley Cup.

**Allenby Capital comment:** Blackbird has enjoyed considerable success in the sports industry and customers include IMG Media, MSG Networks, Deltatre, Eleven Sports, Australia's National Rugby League, Whisper Group, Liverpool FC and Arsenal FC. Blackbird's cloud-based editing software offers the fastest codec on the market enabling customers to rapidly edit and publish video clips and highlights - a key consideration for live content. NHL represents another high-profile win and we believe there is scope for additional wins in the sector as live sports start to resume albeit with CV-19-related restrictions in place.

*\* Allenby Capital acts as Nomad and Broker to Blackbird plc.*

### **MTI Wireless Edge Ltd\* (MWE.L, 31.5p/£27.7m)**

#### **Product launch: Success in French wine market (20.07.20)**

- Mottech Water Solutions, MWE's subsidiary in the wireless irrigation control sector, has launched Tethys, a water irrigation solution to the French wine market. Tethys was first installed in March 2020 and 200 vineyards have already become customers.
- Mottech provides high-end remote control systems for water and irrigation platforms based on Motorola's IRRInet control, monitoring and communication technologies - Mottech is an IRRInet worldwide master distributor. The water management system enables accurate water distribution and irrigation management, resulting in a c. 30% increase in crop yields while reducing costs by c. 30% through efficient use of water, fertiliser, energy and labour.

- Until recently, irrigation of vineyards in France was either forbidden or strictly controlled but due to climate change, vineyards in southern France can now be irrigated. Irrigation water is supplied by local water associations through a network of pressurised pipelines that were designed in the 1960s and the farmer manually connects as required.
- Tethys automates the process of switching water on via an app on the farmer's phone through allocation of a specific time slot when the water will be available. This enables water associations to manage demand and the farmers can digitally order the water they need at a certain time and only pay for what they use.
- Four water associations have signed up to the system via Mottech's local partner, AQUADOC, to date. Currently the system is covering 4,000 hectares and management estimates potential for 200,000 hectares in the short to medium term in the local market.
- No change to [forecasts](#).

**Allenby Capital comment:** Mottech enables its customers to significantly increase efficiency through better use of water, fertiliser, energy and labour and also increase yields through professional remote and accurate irrigation. As climate change brings greater variation in weather events and more frequent weather extremes, the need for better management of water resources increases. As a result, Mottech's addressable market continues to expand. Mottech has more than 20 years' experience in the provision of remote control solutions for vineyard irrigation management in multiple geographies including Australia, Italy, South Africa, South America and Israel and Tethys will be marketed in these markets as well.

*\* Allenby Capital acts as Nomad and Broker to MTI Wireless Edge Ltd*

### **Mirada plc\* (MIRA.L, 90.0p/£8.0m)**

#### **Finals: Progress on multiple fronts (16.07.20)**

#### [Note published](#)

**Allenby Capital comment:** Mirada, the leading provider of end-to-end multiscreen, multiplatform software for Digital TV operators and broadcasters, saw progress on the financial, commercial and functional fronts in FY20. Reported revenue increased 7% to \$13.2m. Stripping out the non-core Mirada Connect business (sold in July), revenue was +13% to \$13.0m. Adj. EBITDA more than trebled to \$2.5m plus a \$1.7m gain on disposal. The roll out at izzi Telecom continues but this was supplemented with deployments with other customers in multiple geographies and Mirada won the PMO contract in Spain. During FY20 Mirada launched its Android TV custom launcher, integrated with premium content providers, including Netflix, and increased the range of supported devices. As a result, it can offer operators a broader and functionally richer offering as they try to capitalise on higher content consumption trends and ensure that their services meet subscriber expectations. Forecasts remain under review but we anticipate further growth.

*\* Allenby Capital acts as Nomad and Broker to Mirada plc*

### **Brave Bison plc\* (BBSN.L, 1.375p/£8.4m)**

#### **Contract win: Resumption of Olympics projects (14.07.20)**

- Appointed by Panasonic as social content partner for its Sports Changemakers global campaign in the run up to the 2021 Olympics and Paralympics. BBSN will lead the creative execution on a series of videos across multiple platforms in four key markets: the US, Europe, China and Japan.
- In 2019, Panasonic invited university students in these markets to participate in its 'Going Beyond Barriers' Sports Changemakers competition, to select and identify barriers that exist in sports today and present technology-based ideas to address them.
- Brave Bison will work with the winning team in each market to help tell their stories, including their journey to the Games where they will present their final idea to a panel of advisors.

- Alongside producing the brand assets, BBSN will recruit four creators that will tell their local changemaker story across multiple platforms and format. This social-first approach will enable viewers to be part of the entire experience from idea and product development through to implementation.
- BBSN has been working with Panasonic over the past year and represents the first collaboration between the companies.
- Forecasts are currently under review.

**Allenby Capital comment:** A strong endorsement from the global electronics company that selected BBSN on the basis of its 'cutting edge concept of social video creation' and 'numerous global achievements'. The contract is also an encouraging sign that spend that was delayed with the postponement of the Tokyo Olympics is now starting to return. Brave Bison's investment in its JAPAC operations has resulted in branded content and influencer campaigns with a number of Tier 1 companies including Accor Hotels, LandRover, Al Nippon Airways, Lego and P&G (SK-II) and FY19 revenue increased 90% to £3.8m. With the emergence of the CV-19 pandemic, BBSN had cut costs (discretionary spending, lease and staff costs) and focused on the delivery of existing projects and is well positioned for recovery in H2 and the run up to Tokyo 2021.

\* Allenby Capital acts as Nomad and Broker to Brave Bison plc

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### **Allenby Capital "paid for" research services**

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David Johnson is the author of this research recommendation. David Johnson is employed by Allenby Capital Limited as an Equity Analyst.

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