

Corporate

 Current price **20.75p**

 Sector **Technology**

 Code **BIRD.L**

 AIM **AIM**

Share Performance



	1m	3m	12m
BIRD.L	+20%	+27%	+94%

Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **70.25**

 Shares in issue (m) **336.73**

52 weeks High Low

21.35p 7.25p

 Financial year end **December**

Source: Company Data, Allenby Capital

Key Shareholders

Premier Miton Group 18.64%

Stephen Streater 18.61%

Schroders 7.40%

Ian McDonough & family 7.30%

Canaccord Genuity Group 5.83%

Source: Company Data, Allenby Capital

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Blackbird plc (BIRD.L)

Cleared for take off

Blackbird is a market-defining provider of fully featured cloud-based professional-grade video editing and production software, and the company's intellectual property for its technology is protected by patents. The software platform was rebranded as Blackbird in 2018 and the company name changed from Forbidden Technologies in 2019. The business has re-focused on direct infrastructure deals and partnerships with major digital media service providers (OEMs), and the customer base was transitioned from project-based sales to annual licencing contracts in 2019. The Software as a Service (SaaS) business model with annual or multi-year licencing improves revenue visibility, and the contracted order book has grown dramatically. A relatively fixed cost base and sales growth from partnerships with large-scale global OEMs should quickly take the business to profitability over the next two years. Cash burn is low and declining, while the company's balance sheet is strong, boosted by a fund-raising in November 2019.

- H1 2020 results** – Group revenues grew by 49% y-o-y to £714k in H1 2020, an acceleration from 24% y-o-y revenue growth in FY 2019, with North America revenues soaring 243% y-o-y to £387k. Operating costs were held lower than in the comparative period, resulting in a 31% decline in cash burn, and Blackbird's net cash stood at £7.2m at end of June 2020.
- Outlook** – In our view, Blackbird currently has a strong opportunity to build partnerships with large-scale global OEMs – such as its recent deal with Tata Communications – and public cloud platforms, helped by its growing reputation and increasing brand awareness from prominent deals signed over the last year. Its near-term prospects have been lifted by COVID-19, with the video editing industry more actively exploring remote working, and Blackbird's typical sales cycle has shortened from 6-9 to 3-6 months. We believe OEM partnerships should drive significant revenue growth, with a limited effect on costs, as OEMs resell to their clients and provide first line support, giving a realistic prospect of Blackbird moving into profitability and showing its true potential over the next two years.
- Further opportunities** – Opportunities may arise for Blackbird to expand its current relationships into larger scale OEM partnerships with the three main public cloud platforms: Microsoft Azure, Google Cloud Platform (GCP) and Amazon Web Services (AWS). Beyond this, the flexibility of Blackbird's technology provides scope for OEM partners to commercialise other potentially large-scale applications in the future.

Overall, we see the business as benefitting from its recent change in focus and extremely well placed to take advantage of the clear opportunities for cloud-based editing. These techniques have been available for some time, but COVID-19 may (as in many other industries) catalyse or accelerate the change. We look forward to further announcements from Blackbird over the coming months.

Year End: December

(£'000)	2017	2018	2019
REVENUE	758.8	870.3	1077.6
GROSS MARGIN (%)	80.1	85.6	85.0
EBITDA	-1,844	-1,993	-1,772
NET LOSS BEFORE TAX	-2,362	-2,599	-2,161
FULLY DILUTED EPS (p)	-1.29	-1.07	-0.71
CASH AT YEAR END	1,752	5,032	7,965
DEFERRED REVENUE & CONTRACTED ORDER BOOK	385	566	1,881

Allenby Capital acts as Nomad & Broker to Blackbird (BIRD.L).

Please refer to the last page of this communication for all required disclosures and risk warnings.

Executive summary

Blackbird is a well-capitalised, market-leading provider of fully featured professional-grade video editing and production software that is cloud-based, making it well-suited to the increasing trend for remote working that has been accelerated by the current COVID-19 pandemic.

Blackbird's intellectual property (IP) is protected by 9 patents, with a further 5 pending, that cover 2 core aspects of its technology: the compression achieved by its codec and the navigation system used by its video player. This technology equips the Blackbird platform with unbeatable speed, scalability and quality for viewing, editing and publishing video in the cloud.

Since joining the company in September 2017, CEO Ian McDonough has rebranded the company and product as Blackbird, and has re-focused the business on direct infrastructure deals and partnerships with major digital media service providers (Original Equipment Manufacturers, or OEMs), which integrate Blackbird's video editing suite into their own offering and resell the software platform to their own client-base.

2019 could be considered a year of transition for Blackbird's customer base, away from project-based sales to annual licencing contracts, the success of which is reflected in its reported revenues growing by a healthy 24% year-on-year. Revenue growth accelerated to 49% y-o-y in H1 2020, reflecting the underlying momentum of the business, as well as a positive effect from COVID-19 boosting demand for remote working applications.

The current Software as a Service (SaaS) business model with annual or multi-year licencing gives the business good visibility with a high level of recurring and repeatable revenues, and the transition to longer-term contracts led to a dramatic increase in the contracted order book during 2019. At the year-end, deferred revenue and contracted but uninvoiced revenues totalled £1.9m, representing 1.75 times 2019 revenues. Of this, £0.8m – equating to 74% of 2019 revenues – related to revenues to be recognised in 2020. At end-August 2020, the contracted order book had risen to £2.0m, and secured revenue for 2020 stood at £1.45m, which is already 35% higher than FY 2019 reported revenues.

Blackbird's relatively fixed cost base means that management's targeted sales growth over the next two years, expected to be driven by sales coming from an increasing number of partnerships with large-scale global OEMs, should quickly take the business to profitability. While revenues grew strongly in H1 2020, operating costs were held lower than in the comparative period.

A further opportunity comes from deepening partnerships with the three main public cloud platforms: Microsoft Azure, Google Cloud Platform (GCP) and Amazon Web Services (AWS). More generally, the acceleration of organisations' migration to the cloud should open up further opportunities for Blackbird. The pace of this has been increasing over the last few years and has been further fuelled by COVID-19. Beyond this, the flexibility and speed of Blackbird's technology provides scope for OEM partners to commercialise other potentially large-scale video editing and distribution applications in the future, which could include consumer, surveillance/security, artificial intelligence (AI), mass bespoke personalisation and mobile telephony applications.

The company has a low cash-burn rate, which is on a downwards trend due to revenues continuing to grow at a healthy pace while cost increases are held to a relatively modest level. This dynamic led to a 31% decline in cash burn in H1 2020. Blackbird also benefits from a strong balance sheet, boosted by a propitious £5.2m fund-raising in November 2019, and its net cash position stood at £7.2m at end-June 2020.

Company overview

Company background

Founded in 1998 as Forbidden Technologies by Research and Development director Stephen Streater (previously a founder of Eidos) and admitted to AIM in 2000, the company was renamed Blackbird in May 2019 as the business was re-positioned to meet the significant growth opportunity that was identified by CEO Ian McDonough who joined the company in September 2017.

Blackbird aims to revolutionise the way video professionals and teams work with digital video, and maximise the value of video assets in an evolving broadcast and digital landscape. McDonough emphasises that Blackbird’s key objective is simple: to increase the value of a user’s video content – whether in monetary value or usability value – through accelerating the speed at which live and non-live video can be accessed, viewed, edited and published – from any device in any location. He also highlights the advantages of the unique Blackbird codec and toolset being completely cloud-native, having been developed by Blackbird’s team of software developers, led by Stephen Streater.

Exhibit 1: Screenshot of Blackbird’s video editor



Source: Company

Blackbird product overview

Blackbird operates in the fast-growing SaaS and cloud video market, and has created what management considers to be the world’s most advanced suite of cloud-native computing applications for video, all underpinned by its lightning-fast codec. Blackbird’s patented technology allows for frame accurate navigation, playback, viewing and editing in the cloud. Its software platform, also named Blackbird, underpins multiple applications, which are used by rights holders, broadcasters, sports and news video specialists, esports, live events and content owners, post-production houses, other mass market digital video channels and corporations.

Since it is cloud-native, Blackbird removes the need for costly, high end workstations and can be used from almost anywhere on almost any device. It also allows full visibility on multi-location digital content, improves time-to-market for live content such as video clips and highlights for social media distribution, and ultimately results in much more effective monetisation of video content.

Enabling remote video editing for enterprises

As an integrated platform, Blackbird allows professional editing of live events, publishing of edited video, and distribution right into the heart of a client's website or to social media sites for immediate viewing.

Blackbird enables highly responsive and fully featured remote editing for live and file-based content and can be used with a standard laptop. Built for the cloud, Blackbird is the only professional video editor in a browser. Video production staff can work with Blackbird from home or any other location with all the professional standard editing tools they need – even with low available bandwidth.

Blackbird is a highly scalable platform and can drive significant productivity and efficiency benefits for any enterprise organisation working with video. It can be used on-premises or as part of a hybrid workflow. Blackbird also integrates with any of the major public clouds – Amazon Web Services (AWS), Microsoft Azure or Google Cloud Platform (GCP).

Providing fast access to video content, Blackbird enables production teams to work collaboratively and improves time-to-market for live content such as video clips and highlights for social media, web, video on demand (VoD) and Over The Top (OTT) distribution, and ultimately results in much more effective monetisation of video content.

Market opportunity

Blackbird helps customers to drive awareness, reach and monetisation for brands in the sports, news, entertainment and enterprise sectors. Customers include Tata Communications (OEM partnership already with its first multi-year order), a major New York-based global financial news organisation (see RNS dated 27 November 2019), IMG, Deltatre, US National Hockey League (NHL), Sky News Arabia, Riot Games, TownNews, Eleven Sports, Arsenal FC, A+E Networks and the US Department of State.

In the video content creation space, Blackbird provides a highly responsive, fully featured, easy to implement 'out of the box' solution, which has found appeal by many enterprises that have needed to enable remote or home editing for all or part of their content creation teams, in response to the global threat of coronavirus.

Exhibit 2: Key attractions of Blackbird's platform to customers



Source: Company

The Blackbird platform helps customers to increase audience engagement and the value of time-sensitive content by:

1. reducing the time from content creation to viewing
2. efficiently creating multiple uses of content through better accessibility and searchability
3. reducing technological footprint while increasing media capabilities and leveraging the full benefits of the cloud

Specific applications include enabling:

- **Sports broadcasters and rights holders** to engage more effectively with their viewers by allowing them to provide clips and highlights packages during events, faster than ever before and from anywhere. Blackbird's Emmy-nominated workflow with MSG Networks across live NBA and NHL games, published directly to its digital media outlets, exemplifies this.
- **News media groups** to rapidly adjust their news content for regional audiences. TownNews provides this particular Blackbird service to its customers, and successfully rolled it out to 17 Meredith Corporation local news networks and several Block Communications networks in 2018, then expanding the roll out to 49 local news stations during the course of 2019. Sky News Arabia's production teams in Abu Dhabi, UAE and other locations are using Blackbird to collaboratively and remotely edit and publish news content live to social media platforms including YouTube for its 1.25m subscribers to view.

The major New York-based global financial media company is utilising Blackbird for simple, fast, collaborative video editing and publishing from the cloud. The Blackbird platform enables users to edit and enrich clips, craft packages and longer form content at speed, with the most extensive media creation tool set available in a browser.

- **Over the Top (OTT) or Subscription Video on Demand (SVOD) customers** or any company dealing with large volumes of video, either on one site or multi-site, to improve audience engagement. Blackbird gives content creators access to advanced tools, enabling them to collaborate in real time effectively and efficiently in the cloud to turn video around ready for publication.
- **Media companies and post-production houses** to rapidly access and remotely capture, log, edit and review their content. Blackbird's applications speed up the post-production process, saving time and money. For example, its deep integration with Envy Post which uses Blackbird on high profile shows, such as Gold Rush and Gogglebox.

Competitive landscape

The leading professional video editing and production software products that dominate the market are Avid Media Composer and Adobe Premiere Pro. However, there are a number of other video editing products in the marketplace including Apple's Final Cut Pro and DaVinci Resolve that are widely used and may be preferred for particular applications. Avid and Adobe are both well-established players, with Avid being seen as more suited to editing long-form video content that is complex and data-heavy – it is the main video editing software used in the film industry and for television – while Adobe Premiere Pro is generally considered more suitable for short-form and digital content.

While Blackbird competes with Avid and Adobe, their video editing products are primarily non-cloud solutions requiring dedicated workstations that their existing clients have already invested in heavily, making them less likely to switch to Blackbird's software platform. However, these two incumbents' cloud-based solutions are primarily remote/virtual desktop connections to dedicated workstations. This means that Blackbird's cloud-native software platform is often chosen by end-users for specific workflows where it is a more effective solution, and it can be used in conjunction with either Avid Media Composer or Adobe Premiere Pro, by downloading the Blackbird edit decision list (EDL) and moving over to the other tools. This workflow could be useful for post-production and finishing, but Blackbird's primary value is the speed in which content is made available for distribution, using its browser-based, frame-accurate editing.

Historically, Blackbird has had success with non-traditional broadcasters such as sports rights holders and start-ups where investment has not been previously made in traditional premises-based systems. There are many more of these types of companies looking to monetise their content or get their content out quickly and efficiently rather than simply selling broadcast rights, making this a much larger addressable market for Blackbird.

Blackbird also competes with a number of principally European cloud-based video editing software providers, including Grabby (British), Wildmoka (French), Videolean (Spanish), Tellyo (Finnish), Vimond (Norwegian), WSC Sports (Israeli); Blackbird management reports that it has not come across any major US competitors with cloud-native solutions when pitching for new clients.

Video-editing tool SnappyTV was previously widely used by TV networks and other publishers to cut and share TV clips on Twitter, Facebook and other platforms. Twitter acquired SnappyTV in 2014, offering the product for free to maximise its use by TV networks and video publishers. However, Twitter shut down SnappyTV at the end of 2019, replacing it within Twitter Media Studio with LiveCut, which helps publishers increase distribution of their videos and directly monetise them through Twitter. Two of Blackbird's most significant client wins in 2019 saw it replace SnappyTV: at A+E Networks, Blackbird replaced SnappyTV for assembling 'Live Rescue', a spin-off of 'Live PD' – one of US cable's most watched TV shows; Australia's National Rugby League (NRL) replaced SnappyTV with Blackbird to deliver engaging content to multiple platforms faster than any other solution on the market.

Recent developments

Blackbird's business re-positioned in 2018

2018 was an exciting year for Blackbird, involving the re-positioning of its business to enable it to deliver against its re-focused strategy, accompanied by a successful net equity fundraising of £5.4m. The new strategic focus was for the Blackbird software platform to not only be a key component in end customers' technology stacks but also to become a vital component in the technology stacks of solutions providers (OEMs), particularly in the US. A key aim of this focus was to increase repeatable revenue per client and give greater visibility to the business, alongside boosting growth prospects.

Led by CEO Ian McDonough, who joined the company in September 2017, the transition comprised four core activities:

- 1. Brand consolidation** – In April 2018, all products and services were consolidated under the Blackbird brand: Blackbird Edge, Blackbird Ascent and Blackbird Forte.
- 2. Transition to JavaScript** – All the company's Java applications were transitioned to JavaScript, allowing access to and use of Blackbird products on virtually any device without configuration – previously a limiting factor in the adoption of Blackbird's services. Rolling out JavaScript applications was considered essential for delivering a successful OEM strategy.
- 3. Management changes** – Significant changes were made to the management team to better align the business with the company's ambitions, including an overhaul of the sales team, where individuals were brought in with more in-depth market knowledge and relevant contacts, in particular to deliver the stated goal of establishing a meaningful presence in North America.
- 4. Business model revision** – Sales growth momentum started to be created by moving to a Software as a Service (SaaS) style business with repeatable revenues per client.

Major contract wins, new partnership programme in 2019

During 2019, some of the world's most prestigious and high-profile organisations, including the US government and cable network operator A+E Networks, chose Blackbird to improve or replace workflows provided by long-established and much larger competitors. Many of the contracts won were with customers for whom time-to-market was the key consideration, such as news and sports broadcasters, and also for archive applications. This was also particularly evident during H1 2020, where COVID-19 lockdown restrictions left many sports organisations looking to produce new content to maintain fan engagement.

In the UK, 23 post-production houses signed up to the newly launched Blackbird Productions Partnership Program (BP3), which incentivises post-production houses to resell Blackbird directly to production companies, freeing up Blackbird's internal sales resource and reducing internal support and administration.

The transformational year in the US started with expansion of Blackbird's business with TownNews from 20 local news stations at the end of 2018 to 49, across 24 states, at the end of 2019. TownNews has now deployed Blackbird in every single video customer that it works with, demonstrating its high regard for the Blackbird workflow. Blackbird management intends to continue to expand the services provided to TownNews as opportunities arise.

Blackbird also closed a multi-year deal with A+E Networks (a joint venture between Hearst Communications and Disney Media Networks) – at the time, the company's largest single deal. This deal was a step change for the business, not only in scale and length but also in the associated business and product security improvements that were made. These have positioned the business better to make further inroads into the US media sector.

A+E Networks is using Blackbird for many different workflows including live clipping to social media, where the company replaced SnappyTV for assembling 'Live PD' – one of US cable's most watched TV shows – and adding value to their enormous archive, where Blackbird's platform is enhancing traditional on-premises workflows.

Another major long-term contract win was with the US State Department, in a publicly contested tender that saw Blackbird selected ahead of other established industry players. The Office of Global Affairs is using Blackbird to publish all their fast-turnaround news, news conferences and events to social media and OTT – and there has been an eventful news cycle for them.

Blackbird capped off 2019 by closing a long-term deal with a major New York-based global financial news organisation (see RNS dated 27 November 2019). Working through this deal process drove Blackbird to new standards of speed and functionality – its ability to integrate seamlessly with AWS (Amazon Web Services) public cloud is becoming an increasingly important factor in larger deals.

Blackbird's balance sheet was strengthened by a propitious £5.2m net equity fund-raising in November 2019. This has supported the continuing growth of the company by providing the financial resources to execute against its strategy, as well as reassuring major customers over Blackbird's longer-term prospects, enabling it to continue to win meaningful multi-year contracts.

Great progress in 2020

Blackbird has also enjoyed a strong start to 2020, including the following highlights:

- Partnership with **Tata Communications** to launch its cloud-based video editing services for live video to the media & sports industry; multi-year order secured
- **A+E Networks** doubling its video content edited through Blackbird
- **Liverpool and Arsenal Football Clubs** signed as new customers
- **US National Hockey League (NHL)** using Blackbird for its Return to Play Plan
- **Riot Games** chose Blackbird for live streamed esports tournaments and events
- **Sky News Arabia** choosing Blackbird for cloud video editing and publishing
- Partnering with **AWS** and **Google Cloud** at virtual customer experiences, and with **Microsoft Azure** for a webinar
- Partnership with **Zixi**, architect of the Software-Defined Video Platform
- **Whisper**, the sports and live event production specialist, chose Blackbird to drive major video production efficiencies for its clients, including Formula One
- esports trailblazers **VENN** selected Blackbird for ultra-fast and efficient remote video production in a 3-year deal brokered by US systems integrator ASG
- **Live X** selected Blackbird for cloud video editing and publishing at the US Democratic National Convention held on 17-20 August 2020
- Former Google executive John Honeycutt appointed as a board director
- SOC2 Type 1 accreditation achieved, demonstrating commitment to ensuring adequate procedures, processes and controls are maintained
- Shortlisted for Best Digital Technology by The Sports Technology Awards and Best Streaming Innovation Award 2020 by Streaming Media
- Won TV Technology's Best of Show Digital Video Award 2020
- Over 1,200 industry professionals have attended Blackbird webinars

Future prospects

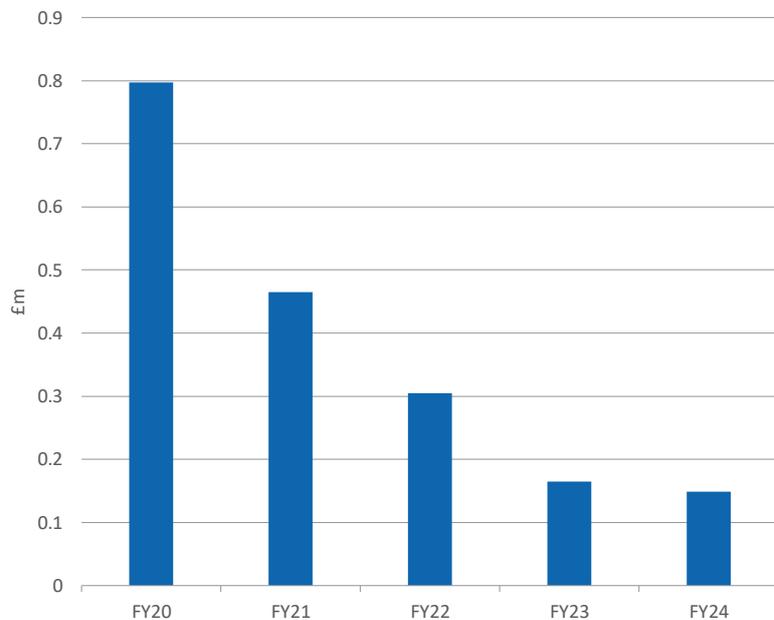
In 2019, Blackbird demonstrated its attraction to larger-scale customers, but management believes that the true opportunity for Blackbird’s technology platform is the large-scale global OEM opportunity – the ‘Blackbird inside’ model. The recent partnership with Tata Communications is a good example and the company is looking to build an ecosystem with other market leading technology partners and OEMs. The global public clouds (Microsoft Azure, Google Cloud, Amazon Web Services) have positioned Blackbird in this area, and the sales team are also in discussions with other large global infrastructure companies who are very interested to wholesale Blackbird for themselves for strategic reasons, which are built around the following two tenets:

1. **Original content remains in situ** – Blackbird enables end users to work with their original high-quality content in situ, without the need to upload or download, as happens with traditional on-premises systems when working in the cloud. This allows infrastructure companies to retain this high-quality content within their eco-system and generate further monetisation.
2. **Climate-friendly solution** – High resolution content does not need to be uploaded, downloaded or transported in order to be edited, so heavy-duty bandwidth is not required; and because end-users can work remotely without bespoke hardware, travel can be reduced; so Blackbird enables customers to operate energy efficiently, which contributes to their sustainability credentials.

Revenue visibility

The annual or multi-year licencing gives the business improved visibility with a high level of recurring and repeatable revenues. The contracted order book gives revenue visibility stretching over the next five years. As OEM partnerships grow and the run rate and length of new deals becomes more certain then the company should be in a position to more accurately predict future revenues.

Exhibit 3: 2019 year-end contracted but unrecognised revenue gives visibility out to 2024



Source: Company Data, Allenby Capital

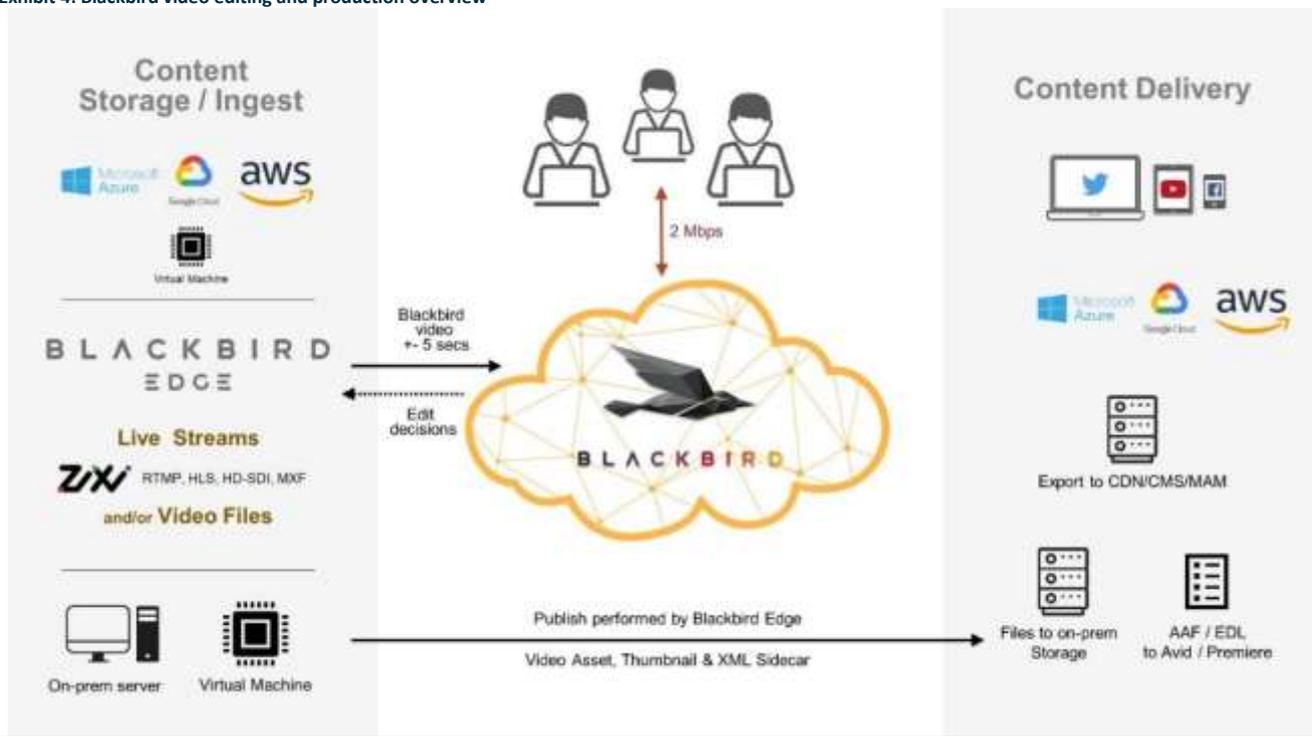
At the end of 2019, the contracted order book stood at £1.9m, representing 1.75 times 2019 revenues, with £0.8m – equating to 74% of 2019 revenues – relating to revenues to be recognised in 2020, and a further £1.1m relating to 2021 to 2024.

Product detail

Blackbird is a highly responsive professional grade video editing platform in a browser, combined with an ultra-efficient internally developed codec. Users log in securely through any browser to access a fully featured professional editing suite that includes real-time video transitions, support for 18 video tracks and 36 audio tracks; multi-cam editing, alpha-channel overlays, colour correction, voice-over, standards-compliant subtitles, and closed captions. Blackbird is very bandwidth efficient and requires a connection of only 2Mbps to deliver a sophisticated, remote editing solution.

Blackbird’s cloud-native video-editing platform works by creating a high-quality proxy version of the video content faster than real-time, and uploading this to the cloud, where it’s available for edit anywhere, allowing customers to start editing immediately using Blackbird’s online editing toolset. As the proxy video content file is edited, an edit decision list (EDL) is created, which maps directly onto the original high-resolution video content. Only the edit of the video content, which can be of any resolution to suit the application, is uploaded for publishing; customers’ original high-resolution video content is not moved.

Exhibit 4: Blackbird video editing and production overview



Source: Company

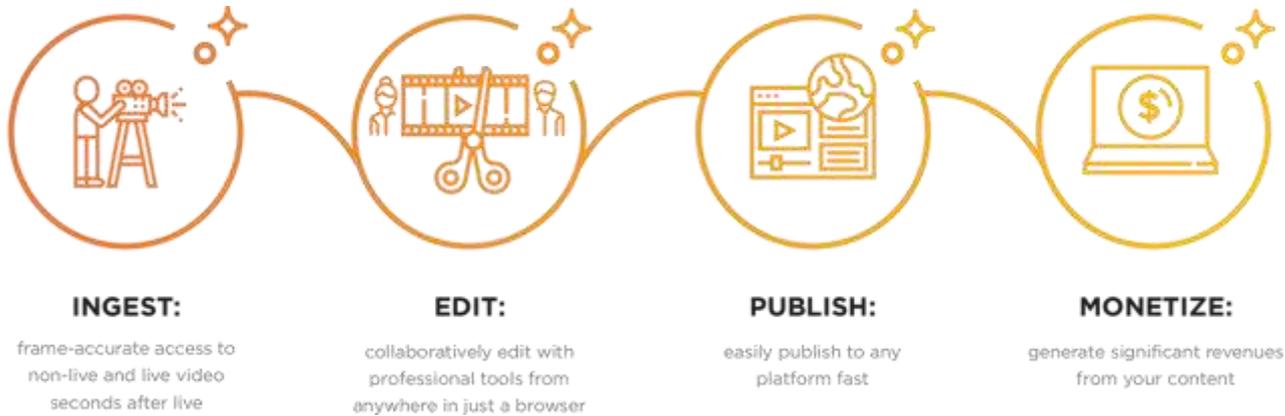
Blackbird’s patented differentiation

The Blackbird platform provides unbeatable speed, scalability and quality for viewing, editing and publishing video in the cloud. At its heart, Blackbird is an intellectual property company holding 9 patents, with a further 5 pending, over 2 core tenets of its technology:

- Blackbird Codec:** an ultra-efficient codec developed specifically for the cloud enables a high-quality proxy version of video content to be created faster than real-time and then flexibly navigated and manipulated – enabling users to work efficiently on only the content needed. The unique technology considerably reduces the cost and time required to create and distribute content – significantly boosting productivity across the video production business and creating added value by enabling new workflows.

- Blackbird Forte:** a fully featured, highly-responsive, JavaScript, professional editing suite that leads the field in the functionality offered in a standard web browser: 18 video tracks, 36 audio tracks, complex transitions, colour correction, voice over, and a wide range of other features – all accessible by simply logging in to a user’s Blackbird account from any device in any location.

Exhibit 5: Blackbird workflow



Source: Company

The world’s fastest, most powerful cloud video editing and publishing platform

Highlighting the growing industry recognition of the superior capabilities of Blackbird’s technology, RedShark News (a multi-platform online publication for the video, film and content creation industries) recently published an article entitled ‘This may be the fastest video editing technology anywhere’, suggesting that Blackbird may be the world’s fastest, most powerful cloud video editing and publishing technology, due to the frame-accuracy and extremely low-latency of its codec, which converts video as it’s taken into the system.

Developed specifically for the browser and therefore supporting remote production, Blackbird delivers unbeatable speed, scalability and richness of editing features and video output. The Blackbird platform is believed to be unique, allowing users to manage video content like no other solution – enabling lightning-fast video viewing, editing and publishing from even locations with low bandwidth, and using most devices.

Key features of the platform:

- Instant precision access to video content** – Access live streams within seconds; Scheduled capture to enable operation anywhere; Supercharged live workflows accepting growing files, RTMP, HLS and SDI inputs; Frame accurate, multi-track, multi-channel operation.
- Edit frame-accurately anywhere in a browser** – Log in from any browser, anywhere – with bandwidth of just 2Mb/s; Create simple clips, sequenced edits, compilations, highlights and longer form content; Support for up to 18 video tracks and 36 audio tracks; Audio tools to support full multichannel operations for workflows; Direct voice over; Colour correction capabilities; Fully featured professional video editor for all skill levels; Immediate, frame-accurate video navigation; Alpha channel overlays, pan and zoom and multi-cam; Realtime video and audio transitions; Subtitles and Closed Captions to comply with international standards; Powerful logging and review capabilities.

- **Publish in seconds to everywhere** – Rapidly publish direct to social media including Twitter, Facebook, Instagram, YouTube and Twitch; Advanced integration to Twitter Amplify; Support for square, portrait and non-standard aspect ratios; Automated overlays, pre-rolls and post-rolls; Distribute and syndicate broadcast quality on-demand video content to Over The Top (OTT), web and digital platforms.
- **Monetise content** – Create great content fast and efficiently; Deliver content to subscriber platforms; Publish fast to social media to drive engagement and traffic to premium monetisation platforms; Insert branding, advertising and sponsored content for multi-platform monetisation; Tag brands, sponsors and advertising partners in video content; Promote OTT subscriptions & other services using real-time highlights; Add bumpers and lower-third graphics for promo messaging; Add pre/post roll adverts to videos.
- **Rich user and media management portal** – Clipping, logging, editing and editorial production roles; Roles define toolset and publishing rights; Simplicity of operation allows users to focus on content creation and publishing; Powerful statistics for usage, editing and publishing.
- **Easy integration with user’s infrastructure** – Blackbird references media content from its existing location – on-premises or in the cloud; The platform dramatically reduces the need for uploading and downloading large files; High volume file access through cloud and/or Network Attached Storage; Works inside a user’s Amazon Web Services (AWS), Microsoft Azure or Google Cloud instances; Publishes in full quality from the user’s source media.
- **Extensible and Interoperable** – Custom metadata input and output for integration to – media asset manager (MAM)/content management system (CMS)/content delivery network (CDN); Data interchange APIs for Artificial Intelligence (AI)/Machine Learning (ML) – artificial intelligence/machine learning – data and external data providers; Integration with Avid, Adobe Premiere and other non-linear editors (NLEs); multi-alphabet support.
- **Applicable to a wide range of use cases** – the Blackbird platform could be extremely useful (and therefore potentially valuable) in a number of video-related use cases, potentially benefiting from the low-bandwidth editing opportunity, or the cloud storage of the media files offering ease of access to third-party Artificial Intelligence (AI) or analytics platforms. This could, for example, allow for automated creation of highly-personalised clips or segments from already-edited content, or other cloud-based content delivery models. In essence, the platform’s patent-protected features allow it to enable or “drive” a wide range of media business models.

Research and development

The core focus of development efforts is to support the continuous improvement of Blackbird around the infrastructure and OEM strategy. This focus combines improving performance, adding new functionality, increasing the ease of adoption and upgrading the user interface. Integral to this has been the shift of web applications to JavaScript, which allows access to and use of Blackbird products on virtually any device without configuration, previously a constraint on the wider adoption of the company's services, and rolling out JavaScript applications is considered essential for Blackbird to deliver a successful OEM strategy.

Continuing to enhance the platform opens up the addressable market for Blackbird to further potential customers. The product and development team continued to evolve the Blackbird platform in 2019, including making the JavaScript editor available to all new customers and enhancing social media publishing options. In 2020, developing Blackbird such that it can be part of a public cloud offering will be key to the company working with the largest OEMs and achieving greater scale.

Management is committed to maintaining the superiority of Blackbird's video production codec, including working on the next generation of Blackbird codec. Additionally, the development team is focused on ensuring that Blackbird can be integrated with third party functionality such as Artificial Intelligence (AI) and data-feeds, through working with market-leading specialists in these fields.

Most recent platform enhancements

The latest upgrade to the Blackbird platform was released in July 2020. This included some notable features that extend the Blackbird workflows:

Blackbird multichannel audio publishing

The Blackbird editor supports full multichannel audio editing within a browser. Publishing options from the editor to the related output media can support both mixed down or split audio configurations. The latest release extended the existing 8 channel multi track audio up to twice its previous capability – now supporting 16 audio channels. Output file configurations vary by codec and wrapper, but this development has greatly extended the flexibility of the platform for multi-language and downstream mixing of content.

Blackbird Edge system metrics

The latest Blackbird Edge update provides system load metrics allowing administrators to validate that the associated ingest and rendering nodes are operating at their optimal configuration. The Blackbird control centre also provides metrics on system capacities and maximum processing configurations to aid scale planning and workload distribution.

Blackbird Edge container images

The existing Blackbird Edge container images were extended for full unicode support for input and publishing, increasing workflow flexibility and enhancing the breadth of geographies and languages supported. These images are used in Blackbird's deployments on Amazon Web Services, Microsoft Azure and Google Cloud Platform.

Sales model, routes to market and pricing

Historically, revenue was predominantly low value (largely ranging from hundreds to several thousands of pounds) and project-based from a large number of production companies and post-production houses in the UK broadcast market. This had the advantage that reliance on individual customers and deals was low, but it meant that substantial effort was required just to maintain annual revenues at the same level, and growth required additional resources to be dedicated to the sales effort.

Under the current SaaS business model with annual and multi-year contracts, deal values are significantly higher (typically ranging between £50k and £150k) and there is a much higher proportion of recurring or repeatable revenues due to users having made a longer-term decision to use Blackbird's platform. The business model also ensures the business starts the year with a substantial level of revenues already committed by customers and enables the sales team's efforts to be focused on growing the business, rather than working hard just to achieve the prior year's level of business. Generally these deals require a longer period to close, but since the onset of the COVID-19 pandemic, which has encouraged video production businesses to increase remote working, Blackbird reports a shortening of the sales cycle from a typical 6-9 months to around 3-6 months, although smaller deals have been closed within a couple of weeks.

Rather than abandoning the users in its lower value, project-based existing client base, Blackbird has focused on transitioning larger customers to annual contracts and has created the Blackbird Productions Partnership Program (BP3), whereby post-production houses act as OEM customers and resell Blackbird directly to production companies.

Blackbird now has two main customer types: infrastructure and OEM. Infrastructure customers are those who use Blackbird's video editing platform internally, so Blackbird is part of the infrastructure of their business. These customers represent 'land and expand' opportunities for Blackbird, as reflected by recent deals with A+E Networks, which doubled its video content edited through Blackbird in 2020, having first incorporated Blackbird within its infrastructure in June 2019; and TownNews, which expanded its business with Blackbird from 20 local news stations at the end of 2018 to 49, across 24 states, at the end of 2019.

OEM customers are those who integrate the Blackbird platform into their own product and service offering and resell Blackbird as part of the deals struck with their own clients. In 2019, 94% of revenues came from infrastructure and OEM deals (compared with 54% in 2018), reflecting Blackbird's focus on selling to these customers, as well as the higher value of the deals.

The major difference between infrastructure and OEM deals is that infrastructure customers only scale up their use of Blackbird's platform with the growth of their own business, while OEM customers can multiply the value of the business generated for Blackbird by reselling the platform to new clients.

Customer examples/case studies

- **Tata Communications (OEM)** – partnership announced, and multi-year order secured.
- **Deltatre (OEM)** – deploys Blackbird to rapidly deliver European Tour highlights to media partners and social; uses Blackbird to rapidly edit and publish game highlights for NFL Game Pass.
- **Leading sports rights agency, IMG (OEM)** – and the R&A (Royal and Ancient Golf Club of St Andrews) used Blackbird to deliver rapid and engaging content at the 148th Open golf tournament.
- **Cable network operator, A+E Networks (infrastructure)** – Blackbird delivers major workflow efficiencies from edit room to edit and roam.
- **Sky News Arabia (infrastructure)** – uses Blackbird for remote and collaborative cloud video editing and publishing of digital news content.
- **Esports leader, Gfinity (infrastructure)** – increases fan engagement and content monetisation with Blackbird.
- **Video games developer, Riot Games (infrastructure)** – uses Blackbird to edit video content from its live streamed esports tournaments and events.
- **The Buffalo Bills (infrastructure)** – deliver content from live to fans in seconds with Blackbird.
- **Buffalo Sabres (infrastructure)** – deploy Blackbird for ultra-fast content delivery to ice hockey fans online.
- **Highly rated TV show produced by Raw TV, Gold Rush (BP3 – ENVY)** – Blackbird drives massive production workflow efficiencies.
- **The Voice UK (BP3 – ENVY)** – uses Blackbird to power massive production workflow efficiencies.

Infrastructure client case study: Australian National Rugby League – 2-year contract with Blackbird signed in May 2019

Australia's National Rugby League (NRL) is the most viewed and attended rugby league club competition in the world. 16 professional men's rugby teams, including the popular Sydney Roosters, Melbourne Storm and Brisbane Broncos, compete annually for the prestigious Telstra Premiership title. In May 2019, the NRL chose Blackbird for the live clipping, editing and publishing of match highlights, signing an initial two-year contract.

Based in Sydney, the NRL's digital team will use Blackbird to rapidly clip, edit and publish short highlights during live matches, optimising workflows and operations and speeding up publishing to multiple publishing destinations. The NRL's global fanbase will then be able to view match highlights on Twitter, Facebook, YouTube and NRL.com.

With the phasing out of SnappyTV, the NRL sought an alternative cloud video editing platform that could continue to significantly build the sport's brand and reach by delivering engaging content to multiple platforms faster than any other solution on the market. After extensive research into available systems, the NRL chose Blackbird.

Every weekend, live streams of the 8 games are run through the Microsoft Azure cloud from the NRL's content partners' production locations. Based in Sydney, the NRL's digital team use Blackbird to rapidly clip, edit and publish highlights during and post-match to Twitter, Facebook and YouTube. Clips can be delivered to social platforms within 30 seconds – with emojis added and players and sponsors tagged for further engagement and reach. Idents, overlaid stills and animations and sponsor logos are easily added with geographic and playback restrictions implemented to support international rights control.

800,000 fans globally with an NRL Watch account can enjoy premium video on-demand (VOD) content consisting of longer form match highlights, player interviews and behind the scenes content – all edited in Blackbird. With a cumulative TV audience of 116 million and over 2.9 million fans regularly engaging with the sport on social media, the NRL exceeded Australian Rules Football in popularity in 2018 for the first time since 2010, boasting revenues of over A\$500m.

OEM client case study: TownNews – Partnership with Blackbird established in April 2018 and expanded in 2019

The way news is consumed has been changing dramatically. In the US, 43% of adults reportedly now choose websites and social media as their primary news sources over traditional TV and print media. The significant shift to digital news consumption has led news networks to seek solutions that will enable them to deliver engaging content fast to consumers across the full digital spectrum.

TownNews is a leader in equipping media organisations with news services that enable them to succeed in the digital age. Used by news organisations and TV stations across the US, the TownNews platform empowers news networks to create, distribute and monetise their multimedia content.

In April 2018, TownNews acquired acclaimed online video management system, Field59, which used Blackbird Forte as its editing solution of choice and had been a partner with Blackbird for more than 10 years. This acquisition expanded TownNews's broadcast capabilities as well as enhancing its offer to media partners through adding a powerful web-based video editing suite.

TownNews chose to integrate Blackbird into its own platform to enable news networks to easily access, edit and manage their broadcast video. All clipping and editing in Blackbird is from a web browser, giving digital news teams immediate access to live broadcast content for frame accurate clipping. Frame accuracy gives teams full control over clean content with no stray frames, which is vital for network mandates. Once clipped, edited and closed captions added as needed, engaging news videos can be quickly and easily sent to multiple destinations including web, OTT, apps, Facebook, YouTube and Twitter.

By early 2020, Blackbird was used within the TownNews platform by 49 US TV stations across 24 states for the fast turnaround of high-quality news highlights. Blackbird has proven to be an agile, fast and cost-effective solution for delivering broadcast quality news content to millions of digitally savvy consumers.

Environmental, Social & Governance (ESG) credentials

Blackbird's business model has a number of positive features from an ESG perspective:

Environmental

- **Travel** – A key feature of Blackbird's platform is that it enables remote, collaborative editing in the cloud, lessening the need for editing and production employees to travel to specific offices and attend events. The product's simplicity means that users can be trained and supported remotely removing the need for domestic or international travel.
- **Hardware** – Blackbird's video editing and production tools are cloud-based and work in any browser, eliminating the need for bespoke editing hardware, and its easy scaling minimises additional infrastructure investment, while the software is available digitally, without the requirement for transport of physically boxed products and associated packaging.
- **Energy** – Blackbird's ultra-efficient codec enables high-quality video output to be published and shared without the need to upload, download or transport content, resulting in major bandwidth energy efficiencies. The codec enables highly efficient ingress/egress of video content and works in very low bandwidth environments, which removes the requirement for energy intensive storage and network infrastructure. There is also no need for high performance desktop workstations or graphical processing units, thus saving on power usage for cooling and performance.

Social

- Enables operational resilience for its customers.
- Supports flexible working and lifestyles.

Governance

- **SOC2 Type 1 accreditation achieved** – Reflecting the importance placed on Customer's security and data privacy.
- **Adoption of QCA code** – Ensures effective governance and risk management.

Financials

H1 2020 highlights

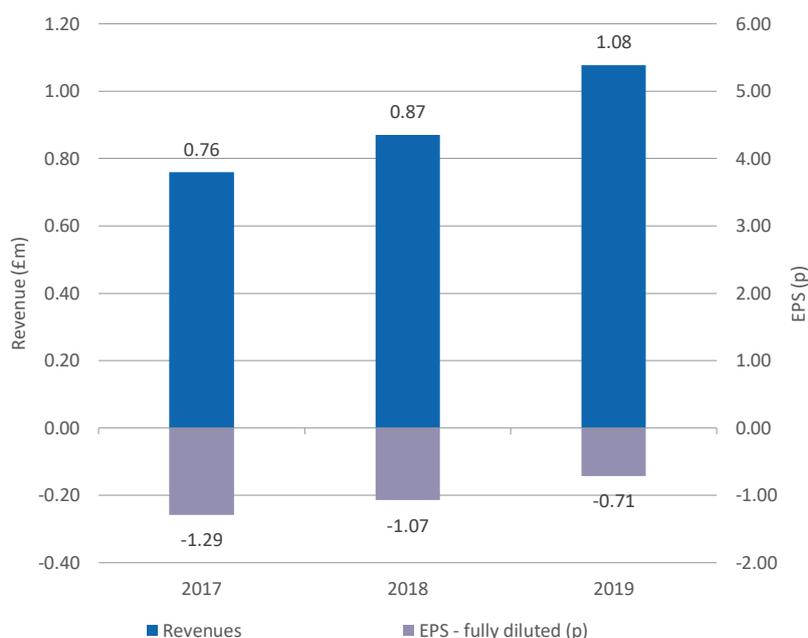
Revenues grew by 49% y-o-y to £714k in H1 2020, demonstrating an acceleration from the 24% y-o-y revenue growth achieved in FY 2019. The EBITDA loss reduced by 30% y-o-y to £714k and the net loss before tax narrowed by 21% y-o-y to £942k. Operating costs were held to £1.36m, lower than the £1.42m for the comparative period, partly reflecting lower costs being incurred due to COVID-10 travel restrictions. This contributed to a 31% decline in cash burn to £846k for the half-year. Blackbird remains debt free and its cash position stood at £7.2m at end-June 2020, compared with £8.0m at end-2019.

Contracted but unrecognised revenues at end-June 2020 were £1.9m, 54% higher than a year earlier and in line with end-2019. However, at end-August 2020, contracted but unrecognised revenues had risen to £2.0m, including £453k relating to 2020 and £756k to 2021. Subject to exchange rate fluctuations – as a significant proportion of contracts are denominated in US dollars – secured revenue for 2020 stood at £1.45m as at end-August 2020, which is already 35% higher than FY 2019 reported revenues.

Financial review of 2019

2019 can be considered a successful year for Blackbird, with the group achieving record revenues and building considerable sales growth momentum. The strategy to focus on larger infrastructure and OEM deals, with longer-term licences and recurring revenue, and away from low-value project-based work in the Broadcast Post sector paid off, and Blackbird reported a 24% year-on-year increase in revenues, breaking through the million pounds level for the first time, with total annual revenues of £1,077k, and the net loss for the year declined by 17% to £2,128k. This strategy continues in 2020, with an emphasis on securing deals with global OEMs to further accelerate revenue growth.

Exhibit 6: Revenue and EPS progression 2017 to 2019



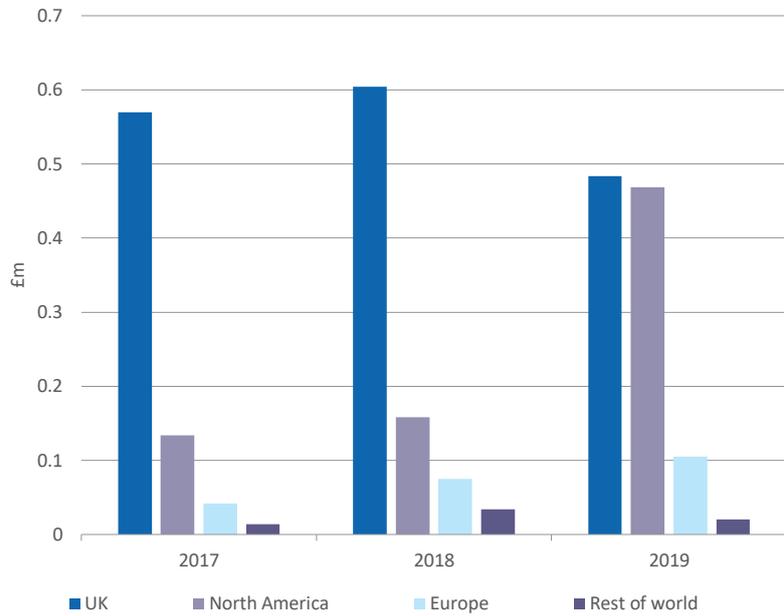
Source: Company Data, Allenby Capital

Significant regional and category developments

Blackbird's key focus for sales growth in 2019 was North America, where adoption of cloud-based editing has been more prevalent. The sales team's efforts in this region were

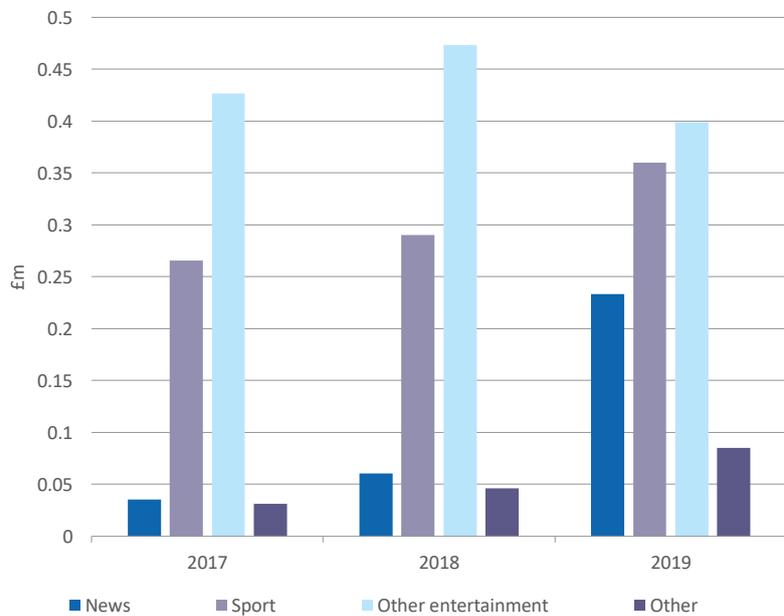
rewarded by a number of high-profile contract wins achieved during the year, including A+E Networks, US Department of State and a major New York-based global financial news organisation (see RNS dated 27 November 2019). This led to 2019 annual revenue in the region almost trebling year-on-year to £469k – making up almost half of total revenues, up from 18% in 2018 – and management continues to see huge growth potential for Blackbird in this region. Due to the significant expansion of its business with TownNews, Blackbird’s news category revenues leapt by 285% year-on-year to £233k in 2019.

Exhibit 7: Revenue progression by geography 2017 to 2019



Source: Company Data, Allenby Capital

Exhibit 8: Revenue progression by category 2017 to 2019

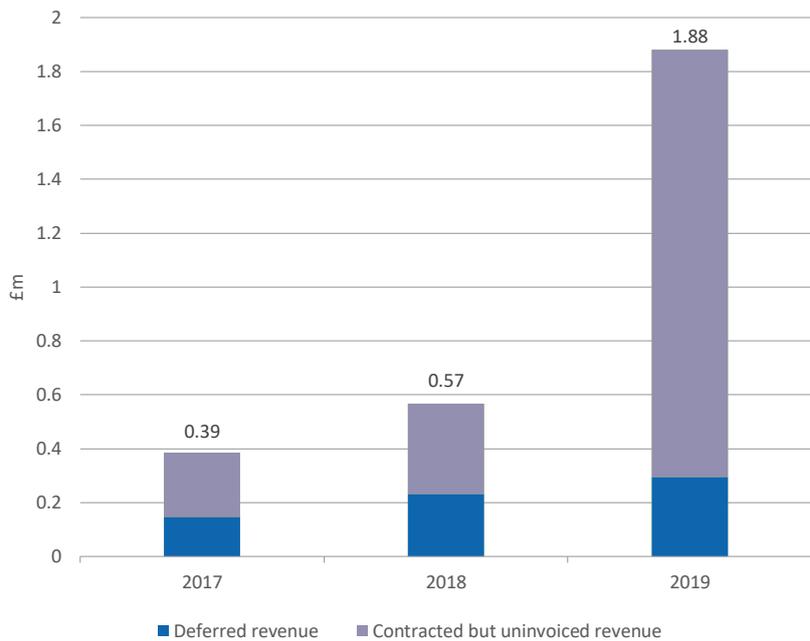


Source: Company Data, Allenby Capital

Shift to longer-term deals drives growth in contracted but unrecognised revenues

A significant change to the business that has been driven by Ian McDonough since joining the business is moving from annual or project-based deals to multi-year or long-term contracts. A high proportion of Blackbird’s customers have been willing to transition to longer-term agreements – seen as a strong endorsement of their confidence in the company and their expectation that Blackbird’s software platform will be able to sustain its lead over competitors over a number of years. This move to longer-term contract structures led to a dramatic 232% year-on-year increase in Blackbird’s contracted order book to £1,881k at the end of 2019.

Exhibit 9: Contracted order book progression 2017 to 2019



Source: Company Data, Allenby Capital

Increasing proportion of sales from infrastructure and OEM deals

Blackbird’s strategy is focused on driving recurring infrastructure and OEM sales, which should result in more predictable, recurring, longer-term subscription-based revenue and larger contract values. Historically, revenue was predominantly low value and project-based from a large number of production companies and post-production houses in the UK broadcast market. Good progress was made during the year – 94% of invoiced sales came from infrastructure and OEM deals in 2019 compared with 54% in 2018.

Cash burn expected to decrease following small increase

Reaching a positive cash flow position is a core goal for the business. Cash burn is reviewed regularly, and expenditure is tightly controlled and closely monitored. In 2019, cash burn excluding financing activities was up 6% compared to 2018 at £2,282k. The increase was in line with budget and, as communicated by the company, was due to strengthening of the management team. Cash burn is expected to decrease going forwards as revenues increase and costs are not expected to increase significantly.

Board

Blackbird's board comprises seven directors, four non-executive and three executive, and has recently been strengthened by the appointments (in May 2019 and June 2020, respectively) of media industry veteran Dawn Airey – who spent three years as CEO of Getty Images, following two years leading Yahoo! Inc's operations in the EMEA region; and former Google executive John Honeycutt – who is an expert in cloud services and brings extensive knowledge of media and technology markets, having previously worked at Discovery Communications, FOX Cable Networks and Liberty Media.

Andrew Bentley: Non-Executive Chairman (appointed May 2019). Formerly Non-Executive Director (November 2015 to May 2019).

Former Founder of Saffron Digital; President of Electrolux; CEO of Virgin EMI APAC. Relevant sector experience in technology and media, including in the US market. International executive leadership experience. Focus on the quality of corporate governance, company strategy, business development and building partnerships.

David Main: Non-Executive Director (since May 2019). Formerly Non-Executive Chairman (May 2016 to May 2019).

Former Chairman of Edanz Group; Founder of TopGolf International Inc; Partner of Bain Company. Relevant sector experience in technology, data and media; executive leadership experience across multiple sectors and multiple geographies in both public and private companies. Focus on, strategy and business development including sustainability, capability building, finance and funding.

Dawn Airey: Non-Executive Director (appointed May 2019)

Former CEO of Getty Images; CEO of Channel 5; SVP of Yahoo EMEA. Relevant sector experience in media. International executive leadership experience including in the US market. Focus on strategy and business development.

John Honeycutt: Non-Executive Director (appointed June 2020).

Former VP of Telecommunications, Media and Entertainment and Gaming at Google; COO and CTO at Discovery Communications; SVP Broadcast Operations at FOX Cable Networks. A global Information and Media Technology leader, expert in cloud services, supply chain logistics and cyber security. Significant international experience in business strategy and operations, mergers and acquisitions, transformation and large-scale project delivery across all aspects of the media industry.

Ian McDonough: Chief Executive Officer (appointed September 2017)

Former EVP of BBC Worldwide; SVP Managing Director, EMEA of Turner. Executive leadership experience in media sector, strong knowledge of international media markets, strong entrepreneurial orientation. Focus on driving growth and corporate value through having the right strategy and supporting execution capabilities.

Stephen Streater: R&D Director (appointed May 2016). Formerly Chairman (October 2015 to May 2016) and Chief Executive Officer (from AIM listing to October 2015)

Former Managing Director of Eidos. Blackbird Founder, 30 years specialising in the development of video compression and non-linear editing systems, architect of Blackbird Cloud Video Platform; focuses on R&D and product development strategy and execution. Long experience in public markets.

Stephen White: Chief Operating & Financial Officer (appointed April 2019).

Former VP Finance of NBC Universal; Head of FP&A BBC Worldwide Channels. Member of ICAEW, extensive experience in the media sector, business partnering, maximising shareholder return, M&A. Focus on financial management, corporate governance and executing the company's strategic vision.

Risks and uncertainties

Financial instruments

The group has a normal level of exposure to price, liquidity and cash flow risks arising from trading activities. The group has no borrowings and reviews its working capital requirements on a regular basis. The group's financial instruments comprise trade debtors, trade creditors and cash. The group has not entered into any derivative or other hedging instruments. The group's practice has been to finance its operations and expansion through the issue of equity share capital. Financial assets comprise cash at bank and in hand. Financial assets and financial liabilities exclude short-term debtors and creditors. The fair value of the financial assets and financial liabilities are not materially different from their carrying values.

Currency risk

The group is exposed to currency fluctuations on exchange rates for revenue and expenditure generated internationally. In particular, as North American revenues grow, the group is exposed to changes in the pound versus US dollar exchange rate. Whilst there is a natural hedge between some US dollar income and expenditure, the group does not formally hedge against this currency risk since the directors feel that, at current levels of income and expenditure, the risk does not materially affect the working capital position and financial performance. The net impact in 2019 of the change in value of sterling against the US dollar was negative and represented approximately 0.5% (2018: 0.2%) of invoiced sales.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The exposure to credit risk is influenced mainly by the individual characteristics of each customer. One customer represented more than 10% of revenue in 2019 but the group continues to diversify its revenue stream by signing new contracts with higher-value customers. One bad debt of £7,410 relating to revenue recognised in prior years was written off during 2019. Standard credit terms are 30 days, with some larger customers on longer terms, and the average credit period on trade sales is 55 days.

Capital management

The board's objectives in relation to capital management are to safeguard the group's ability to continue as a going concern and provide returns for shareholders and benefits for other stakeholders. The group remains debt free and successfully raised equity of £5,217k from a share placing during 2019. Cash balances are spread across several financial institutions in order to minimise risk and achieve a reasonable rate of return.

Technology and product risks

The group's ability to sell its cloud-based video-editing platform is affected by the rate of adoption of cloud services in each sector where it operates, its ability to provide the necessary functionality and interoperability, and the customer user experience. The group needs to continue to innovate and develop the platform in order to meet changing customer demands. Blackbird is dependent on third parties, both Open Source and proprietary, to provide appropriate software and licences.

The group's strategic focus should mean it allocates platform development resources in the right areas for its targeted customers, and the highly experienced team can respond rapidly to emerging client needs. A very strong product management team provides the knowledge bridge between customers' current and prospective needs and what is technologically possible to develop and commercialise.

Overall, there are risks related to new product development activities, or upgrades, which may take longer than expected to be market ready and/or the market opportunity for these products may not materialise. The board regularly reviews product development investment and focuses an increasing proportion of the group's activities against specific customer requirements and commercially viable enhancements to the platform.

Competitor and market risks

Competitors and new entrants could succeed in producing superior product offerings on a timelier basis or outperform in the marketing and selling of their products, thereby slowing down the adoption of Blackbird. In addition, competitors and new entrants could react faster to new market opportunities, which would result in a loss of sales opportunities. The group continuously monitors its strategy and market focus. The activities of existing and emerging competitors are regularly reviewed, and the emergence of new market opportunities monitored. Through effective market monitoring and building deeper knowledge of customers and prospective customer needs, the focus of applications development and commercial activities is adjusted accordingly.

Security risks

The group protects itself against cyber-attack by addressing known risks, such as published internet vulnerabilities, by installing patches. Periodically, independent contractors are appointed to perform penetration tests on Blackbird's platform to ensure that its security and systems are robust. The most recent testing was in January 2020, with a Certificate of Security Compliance for the platform issued on 3 February 2020. The company also achieved SOC 2 Type 1 compliance on 7 April 2020 demonstrating its commitment to adequate procedures, processes and controls being maintained.

Data Protection and General Data Protection Regulation (GDPR)

Blackbird takes very seriously the data protection needs of its stakeholders. Processes and procedures have been implemented to ensure that the group is in compliance with the GDPR legislative requirements. This is a continuing process and a GDPR committee normally meets bi-weekly to ensure levels of data and video content is controlled, new relationships assessed, and processes are continually reviewed to protect personal data of all stakeholders.

Organisational risks

As a small group, Blackbird has a high proportion of key staff, and the loss of any of these staff would be detrimental to the group. Creating a productive, respectful working environment, empowering employees, offering career development opportunities and long-term incentive plans are all elements of the staff retention program. Over time, the company has built a network of organisations that can help it respond effectively to key resourcing challenges.

Coronavirus

COVID-19 brings uncertainty to all businesses. In particular for Blackbird:

- As a cloud-based platform, the loss of a key service from a supplier, for example internet connectivity, would cause availability issues for customers and reputational damage.
- There is an inherent risk to the economics of the business sectors that Blackbird operates in as the virus disrupts normal operations and finances. There is also an increased credit risk from existing customers.

- Investment in new technology could be slower as businesses have more immediate areas to prioritise to return to business as usual.
- Whilst the team have moved seamlessly to remote working, if any employees become infected with the virus it could be detrimental to the business. This could be exacerbated by the high proportion of key employees as described under Organisational risks above.

Blackbird has disaster recovery and business continuity plans in place to mitigate the above risks as much as is possible. Additionally, as Blackbird offers a remote working solution for businesses, this has led to a surge in customer enquiries as companies look to continue operations with their staff carrying out their functions safely from home.

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