



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.

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Allenby Capital TMT Update - 14.12.20 - BOOM.L, MBT.L, BIRD.L, STAR.L

Audioboom plc* (BOOM.L, 199p/£31.2m)

Signing a major new podcast partner (08.12.20)

- Signing of a major new podcast partner with a US-based show that has consistently featured in the Apple Podcasts Top 100 over the past five years. In order to secure the partner, BOOM has made use of the content funding guarantee facility that was first announced in June 2019.
- The facility, provided by SPV Investments, a special purpose vehicle owned equally by BOOM's chairman and its largest shareholder, provides minimum revenue guarantees up to an aggregate of \$4m. This secures the minimum guaranteed advertising revenue share payable to the content partners without tying up BOOM's working capital.
- Following this usage, there is currently c. \$1m available under the facility but this headroom will increase as advertising revenue share is paid out. The use of the facility also resulted in the grant of 31k warrants to the SPV owners exercisable at 330p/share.
- Separately (10.12.20), BOOM's Casefile True Crime podcast was the top ranked podcast in Australia in November, according to the latest chart from Triton Digital, moving up from number two. The podcast has previously been number one in the All-Australian chart, i.e. Australian originated content. As a result, Audioboom also moved up one place to number four in the Top 10 Publishers by Downloads behind ARN/iHeartMedia, SCA and News Corp Australia but ahead of Stitcher and Wondery.
- No change to [forecasts](#).

Allenby Capital comment: The content funding guarantee facility has enabled BOOM to offer a guarantee on the minimum advertising revenue in its discussions with new and existing content providers without tying up working capital. The provision of guarantees has been used very sparingly in order to secure high profile and high revenue producing podcasts and there are costs associated with it - the grant of warrants and BOOM also pays the SPV 8% of the associated net revenue. The use of advances has generally reduced as BOOM has been able to demonstrate to content providers the value it brings - growth in audience and access to advertisers. Meanwhile October's £3.2m subscription has provided the company with firepower to acquire proven podcasts and invest in its own original content.

** Allenby Capital acts as Nomad and Broker to Audioboom plc.*

Mobile Tornado plc* (MBT.L, 3.75p/£14.2m)

Partnership agreement expands sales and marketing reach (09.12.20)

- Partnership agreement with Telrad Networks, a global LTE telecoms solutions provider, to offer an integrated, end-to-end Push-to-Talk (PTT) communication over broadband. Telrad has more than 300 4G/LTE deployments in more than 100 countries.
- The offering combines Telrad's BreezeCOMPACT base station and MBT's MDC2000 multi-session dispatch. As a result, end users will be able to use a single mobile device for both cellular and PTT communications in both one-to-one and group environments.
- The solution will offer MBT's other features including text messages, location tracking, emergency alerts, voice recording and the hardware dispatch console for monitoring and controlling all PTT users in the field. MBT's PTT solution is much more scalable than other PTT offerings with higher availability and lower latency.
- Telrad will start marketing the proposition during Q1 2021 and MBT will generate software licence fees on every system sold. Target markets are private networks, e.g. oil and gas or mining, where other networks are unavailable, and represent an alternative to expensive and less functionally rich land mobile radio (LMR) and digital mobile radio (DMR) systems.

Allenby Capital comment: Mobile Tornado has developed a proven fast, scalable and secure carrier grade cellular-based PTT solution with more functionality and at a significantly lower total cost of ownership compared with traditional LMR/DMR services and more scalable and robust than rival PTT solutions. Sales cycles have suffered from the impact of CV-19 as many of its engagements are with Government departments and public utilities and their focus has been on public health challenges. That said, MBT remains engaged in a number of significant opportunities and existing customers continue to expand their usage of MBT's PTT service. The partnership agreement represents an important endorsement and significantly expands the company's sales and marketing reach.

** Allenby Capital acts as Nomad and Broker to Mobile Tornado plc*

Blackbird plc* (BIRD.L, 19.75p/£66.4m)

Industry award: further recognition (08.12.20)

- Blackbird won the Emerging Tech Company of the Year Award at the recent OTT Awards organised by SportsPro and focused on the sports broadcast industry. It was also awarded bronze in the Best Digital First Production category.
- Blackbird secured the award on the basis of its strong growth, high profile customers and the speed of its content turn around. Contract wins over the past year include Riot Games, NHL, Sky News Arabia, Eleven Sports, VENN, Whisper, US Department of State, Live X and Arsenal F.C. as well as OEM partnerships with Tata Communications, EditShare and Zixi.

Allenby Capital comment: Further industry recognition for Blackbird and its professional cloud video editing and publishing platform. Its eponymous platform enables remote video production with rapid frame-accurate access to video content for the easy creation of clips, highlights and longer form content to multiple devices and platforms across a low bandwidth Internet connection.

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

Starcom plc* (STAR.L, 0.95p/£3.3m)

New loan agreement (10.12.20)

- Granted a loan of NIS1m (c. £230k) under an Israeli government backed scheme that has been established during the COVID-19 pandemic. The loan follows a number of grants received by Starcom from the Israeli government over the past few months totalling NIS760k (c. £175k) and July's new RCF for up to NIS5m (c. £1.2m).

- The loan is repayable over a five year period from year two with an annual interest rate of 1.5% over the Israeli Prime Bank Rate. The loan is secured and Starcom will maintain a deposit of 5% of the total principal amount on account with the lender.

* *Allenby Capital acts as Nomad and Joint Broker to Starcom plc.*

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Allenby Capital "paid for" research services

The changes initiated by MiFID II has had far reaching implications on both the quantity and continued availability of research on smaller cap companies, including those within the TMT sector. We would therefore remind interested companies that Allenby Capital can offer a "paid for" research service for those corporates that wish to retain an alternative and authoritative source of research that can be accessed freely by the entire investment community. If you would like further information on this service please contact d.johnson@allenbycapital.com.

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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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