



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.

TMT UPDATE - 11.12.17 (GFIN.L, BOOM.L)

Gfinity plc (GFIN.L, 24.2p/£52.9m)

Elite Series embraces FIFA 18; positive metrics from inaugural F1 (06.12.17)

- Elite Series will become the first eSports competition to include EA Sports FIFA 18 in its schedule when season three starts in March. Elite Series will become an accredited official FIFA 18 qualifier, a precursor to the FIFA eWorld Cup 2018, the official World Cup for FIFA 18 taking place in August 2018.
- FIFA players will be able to participate in the next Gfinity Challenger Season that starts in January. The top 40 ranked players at the end of the six week season will become eligible for the Elite Draft and have the opportunity to be selected by one of the professional franchises.
- Separately, Formula 1 provided some data points from the recently completed inaugural Formula 1 Esports Series, where Gfinity acted as delivery partner. The final event in Abu Dhabi saw a total of 1.8m video views on Facebook (+72% on the semi final), there were 54,000 view on the Twitch streaming service (peaking at >8k), Instagram had 6.1m impressions and 310k engagements and video views were >1.6m, and Twitter had more than 7.8m impressions across the event.
- The finals video on YouTube has gained more video views than the NBA 2K17 all-star championship and the NFL Madden 17 Championship Final. The semifinals' audience was a viewership record for any live eSports event broadcast on linear TV in the UK. The Finals has been broadcast in 123 countries.

Allenby Capital comment: EA Sports FIFA is one of the popular video game series with >150m copies sold to date and >200m matches taking place each week. The game lends itself to broadcast and its inclusion will broaden the appeal of the Elite Series. The appointment also reflects Gfinity's standing as a delivery partner for publishers. Gfinity's ability to host successful events and the substantial following for eSports can be seen in the impressive audience figures from the inaugural Formula 1 Esports Series. Traditional sports need to reach and engage with the younger audience that enjoys eSports. This series was notable for only starting part way through the F1 season and there was no involvement from the F1 teams. As such, there is the opportunity to significantly increase the scale and scope in future seasons.

Allenby Capital acts as Nomad and Broker to Gfinity plc.

Audioboom (BOOM.L, 3.175p/£29.5m)

Accredited membership of IAB UK; further consolidation in podcasting (01.12.17)

- Audioboom has become the first podcast network to receive accredited membership to the Internet Advertising Bureau (IAB UK), a UK trade association for digital advertising, representing the UK's leading brands, media owners and agencies.

- As a result, BOOM will gain access to and consult with IAB UK's steering and advisory groups that create industry best practices, educational guides and research. IAB UK currently has >1,200 members, including 850 brands, five agency groups and several independents, publishers and ad tech businesses.
- Separately, Apple acquired Pop Up Archive, the developer of the Audiocast search and recommendation engine that helps podcast producers to automatically transcribe their audio recordings into text that can then be used to make recommendations or link advertisers with the most appropriate content. Users of the engine included NPR, the US public radio organisation.

Allenby Capital comment: The IAB accreditation and Apple's acquisition point to a number of the dynamics of the current podcasting industry. Podcast audiences and the volume of content continue to expand rapidly. Podcasts are engaging with an attractive demographic that advertisers want to reach and the number of mainstream brands (rather than direct response companies) participating is growing. That said, advertisers have been somewhat wary of podcasting given their poor experience of digital advertising and the limited usage data that has been available for podcast consumption that would enable advertisers to target adverts. This has been partly addressed with the latest version of Apple's Podcasts. Meanwhile consumers have struggled to navigate the huge amounts of available content. As previously noted ([23.10.17](#)), investment in podcasting in 2017 has been buoyant with companies raising money and an active M&A scene. AudioBoom has built a large network of third party properties and has developed several of its own successful properties that generate higher margin revenue. It can offer podcasters a comprehensive service (create, edit, upload, store, syndicate, broadcast, cross-promote and monetise)

Allenby Capital acts as Nomad and Broker to Audioboom.

Allenby Capital's research on Audioboom is available [here](#).

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