



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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TMT Update 11.03.19 (CPX.L, BBSN.L, FBT.L)

CAP-XX Ltd* (CPX.L, 6.1p/£19.8m)

Interims: Medium-term potential remains; short-term cloudy (06.03.19)

[Note published](#)

Allenby Capital comment: Interim results from CAP-XX, the leading supercapacitor designer and manufacturer, saw revenue increase 4% to A\$1.6m, a 500bps improvement in gross margin following the realisation of previously announced manufacturing initiatives and a 5% reduction in overheads. As a result, adj. loss reduced 29% to A\$1.0m. Period end cash was A\$4.6m including the proceeds of November’s placing (£1.75m) and an R&D tax rebate of A\$1.6m. The sales pipeline for prismatic and cylindrical can supercapacitors is reported to be at historically high levels and licensing negotiations are ongoing with a number of parties worldwide. H1 included the first licence revenue from TDK that was signed in October 2018. The 3V thin prismatic product family, due for launch later in 2019, opens a potentially huge market as supercapacitors can address many of the shortcomings of Li-ion coin cell batteries. Although the medium-term outlook is positive, the current uncertain global economic outlook and the likely impact on the timing of projects moving to mass production means we believe it is prudent to reduce our H2 revenue growth assumptions. This rolls through to lower profit forecasts.

** Allenby Capital acts as Nomad and Joint Broker to CAP-XX Ltd.*

Brave Bison plc* (BBSN.L, 3.3p/£19.0m)

Contract renewal and expansion with the PGA TOUR (08.03.19)

- The PGA TOUR has renewed its strategic relationship with Brave Bison for video on social media. BBSN has worked with the TOUR across its portfolio of YouTube channels since 2017 to help drive advertising revenue, increase organic views and generate subscriber growth. The relationship will now extend to the TOUR Facebook page and BBSN will the TOUR's Facebook video strategy as well as helping it to protect its IP across Facebook.
- The TOUR's YouTube subscribers have tripled since the partnership began and views have grown significantly. BBSN produced a YouTube content series, The Sweet Spot, to market around the TOUR's flagship golfing tournaments in 2018. This used archive tournament footage, repurposed for a younger audience and has brought in three times more subscribers than the channel's average.
- No information on the commercial terms was provided.

- **FY18 results are scheduled for 27 March. Please get in contact if you would like to arrange a meeting with management.**

Allenby Capital comment: Brave Bison has two complementary revenue streams: its network of 20 owned and operated social video channels and working with major brands, such as The PGA TOUR, P&G, Shell, PUMA and Hyundai, to help to drive their social video presence. BBSN ended 2018 as largest Facebook publisher in the world based on views (Source: Tubular Labs). In December's pre-close, management reported that revenue was expected to have grown >10% (FY17: £9.1m) and adj. EBITDA to be positive for the first time since the company's 2013 IPO.

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

**Forbidden Technologies plc* (FBT.L, 7.75p/£22.9m)
Contract renewal and expansion with IMG (05.03.19)**

- IMG Media Ltd (IMG) has signed an expanded, multi-year agreement for its continued use of Blackbird, Forbidden's cloud video editing platform. The agreement is for three years and is worth 'a six-figure sum' over the term. It is also material for FY19, as there are additional one-off Blackbird Edge upgrades. It represents Forbidden's first multi-year agreement with IMG, who has been a customer since 2015.
- IMG's UK digital production team will use Blackbird to rapidly clip, edit and publish live sports video content to IMG's own content delivery network and its partners' online platforms. Sports will include La Liga and Serie A (football), EuroLeague Basketball and the European Volleyball League.
- **FY18 results are scheduled for 12 March. Please get in contact if you would like to arrange a meeting with management.**

Allenby Capital comment: IMG represents an important customer for Forbidden Technologies and showcases the keys strengths of its Blackbird cloud-based video platform - editing and agility and fast processing of live content in the Cloud. The expansion of Blackbird's use and the multi-year agreement represents an important endorsement of the technology and Forbidden's service with a major global sports media business.

** Allenby Capital acts as Nomad and Broker to Forbidden Technologies plc.*

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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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