



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 08.04.19 (BOOM.L, BBSN.L, TERN.L, FBT.L, MIRA.L, STAR.L)

Audioboom plc* (BOOM.L, 2.45p/£31.6m)

Q1 Update: Positive KPIs (03.04.19)

- Positive Q1 metrics: revenue +180% to c. \$4.6m; brand advertiser count +55% to 178 (up 11% sequentially; US eCPM +67% to \$23.77 and total available premium advertising impressions up 28% to 305m.
- Cash at Q1 of \$1.7m (FY18: \$1.6m). This included February's £1.5m subscription that has been used partly to secure existing and new podcasting talent and shows.
- Key renewals included podcast network SBI Audio (a two-year agreement), true crime podcast 'Undisclosed' (one year), and 'True Crime Obsessed' (two year). AON renewals include: 'F1: Beyond The Grid' (two year), 'Covert' (season two) and 'Mafia' (season three). A number of new shows signed across multiple genres.
- Enhanced commercial agreement signed with Spotify and new agreement with Spotify India.

Allenby Capital comment: Positive set of KPIs in what is seasonally a quieter quarter as some podcasters take broadcasting breaks and advertisers throttle back on spend post Xmas. The growth in the number of brand advertisers is encouraging and demonstrates that more companies are being drawn to the medium and Audioboom's roster of titles. Building audiences for new titles takes time but there is customer loyalty as evidenced by the growth in listens for F1 (c. 400k listens for the first episode of season two, up 200% on the final episode of the 2018 season).

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

Brave Bison Group plc* (BBSN.L, 2.1p/£11.4m)

Management changes: New CEO appointed (03.04.19)

- Kate Burns appointed as CEO with immediate effect, replacing Claire Hungate.
- Kate joined as a non-executive director in July 2018 and is currently a Venture Partner at Hambro Perks, an investment firm. She has considerable experience in the digital content and publishing industry having previously worked at BuzzFeed (European General Manager), AOL Europe (CEO) and Google (Regional Director, UK Ireland and Benelux).
- Separately, a number of directors purchased 1.3m shares in total.

- No change to [forecasts](#) or 4.6p/share FV.

Allenby Capital comment: Kate Burns brings considerable experience of different revenue models for digital businesses and rapid growth to Brave Bison, the social video company. The departure of the CEO so soon after the positive FY18 results has impacted the share price, however. As a result, net cash (£5.4m) is equivalent to 47% of the market cap and the company is trading on an FY19 EV/adj. EBITDA of 12.4x falling to 8.6x in FY20. Applying an EV/Adj. EBITDA multiple of 15.0x FY20 would suggest a fair value of 4.6p.

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

Forbidden Technologies plc* (FBT.L, 6.5p/£19.2m) Partnership agreement and contract renewal (28.03.19)

- Partnership with Xytech, a provider of facility management software for the broadcast, media services and video transmission industries, to provide with Xytech users with the Blackbird real-time, frame-accurate browser-based player. This will be an option in Xytech's MediaPulse V9, due to be launched in June.
- Contract extension with Gfinity (GFIN.L), the leading esports company, for the use of Blackbird for a further twelve months. Gfinity uses Blackbird to rapidly log and clip game highlights of its Elite Series for distribution across websites and social media channels.

Allenby Capital comment: The partnership with Xytech fits with Forbidden's strategy of selling Blackbird, its patented cloud video platform, into OEM software providers in order to reach a much larger market particularly in North America, the most developed addressable market. Gfinity was Forbidden's first customer in the esports industry and it has since been used in the US to drive fan engagement for a live pro-celebrity Fortnite event in Los Angeles. esports has substantial growth potential for Forbidden as operators have access to large volumes of data and need to create engaging content and distribute this quickly.

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

Tern plc* (TERN.L, 8.5p/£20.1m) Placing (03.04.19)

- Subscription to raise c. £1.5m at 8.5p/share to provide additional finance and strengthen its negotiating position as it looks to acquire and maintain long term, influential interests in high growth IoT companies particularly in the healthcare and industrial markets.

Allenby Capital comment: Tern currently has a portfolio of six companies at various stages of commercialisation and the additional funds will help Tern to maintain its position as it syndicates further investment in later stage companies and invest in new IoT situations. Recent contract newsflow at Fundamental VR and InVMA is encouraging and demonstrate that the business is less reliant on Device Authority that continues to represent the bulk of the company's NAV.

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

Mirada plc* (MIRA.L, 0.8p/£6.9m) Commercial launch of Iris in Bolivia (02.04.19)

- Commercial launch of Mirada's Iris multiscreen solution in Bolivia with Digital TV Cable Edmund. The contract win was first announced in October 2017.
- The deployment will let Digital TV Cable's subscribers to watch live and on-demand content across multiple device types (OTT set-top boxes, smartphones, tablets, computers and smart TVs) with a seamless user experience and a number of advanced functions (live, pause and start-over viewing). The launch will be available for both new and existing subscribers and will be accompanied by a full marketing campaign.
- The five-year contract is based on Mirada's SaaS model that provides increased revenue visibility through monthly subscriber-based licence fees as well as initial set-up fees. A gradual roll-out is planned over five years with a target of up to nearly one million devices.

Allenby Capital comment: Digital TV Cable represents Mirada's third major Iris deployment (izzi Telecom and ATN International) and the second under the SaaS model that provides better revenue visibility although there is an upfront working capital requirement to fund hardware. Since then, the company has signed a contract with Sky Media Corporate, a subsidiary of Skytel LLC, for a deployment in Mongolia and a reseller agreement with Indra for the promotion and commercialisation of Iris with an initial focus on APAC. Although the sales and configuration process can be protracted, Mirada has increasing revenue visibility as Iris has become a critical piece of infrastructure for a number of international operators.

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

**Starcom plc* (STAR.L, 1.35p/£4.3m)
Commercial launch of Lokies (05.04.19)**

- Launch of Lokies, Starcom's new intelligent reporting padlock. This represents a major new version of the original Watchlock product line, and unlike previous versions, it has been fully developed and built by Starcom and it owns 100% of the IP.
- An IoT-based padlock, the Lokies can be operated remotely and does not require a key. It is an energy efficient, Bluetooth-enabled product that can connect to nearby devices and sensors. The Lokies is smaller than previous versions of the Watchlock and has a specially designed shackle that can detect tampering.
- Initial orders have been placed and feedback from customers in the broader security market has been positive. Further orders are currently under discussion and Lokies is expected to provide a meaningful contribution to FY19 revenue.
- No change to [forecasts](#).

Allenby Capital comment: The Lokies offers a number of functional improvements over the previous versions of the Watchlock with keyless operation and the intelligent shackle. There are multiple applications including remote facilities, sea or rail containers and retail stores. As importantly, Starcom owns 100% of the IP and is not tied to any hardware manufacturer. The initial Watchlock was hampered by the relationship with Assa Abloy that failed to deliver the volumes initially anticipated.

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

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