



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.

For the purpose of MIFID II, the content of the following email qualifies as “non-substantive material or services consisting of short term market commentary on the latest economic statistics or company results” and so can be treated as ‘acceptable minor non-monetary benefits’ and not as ‘chargeable research’ per the European Commission’s Delegated Directive of 7.4.2016.

TMT Update 07.05.19 (GFIN.L, FBT.L, BOOM.L, MWE.L)

Gfinity plc* (GFIN.L, 4.0p/£14.2m)

Contract win: Major new esports tournament (02.05.19)

- Appointed primary consulting and programme management partner for the inaugural Esports Wega World Cup that will include a number of popular games and will culminate alongside the 2022 FIFA World Cup finals.
- The tournament will be presented by Wega, the official Acoustic Contactless Secured Payment Card of Manchester City FC and New York City FC, and a leading global SCA (Strong Customer Authentication biometric base) payment solution provider. Wega was developed by TRUXTUN Capital, a Swiss financial technology provider.
- Gfinity will be responsible for the planning and design of both the online and offline formats, utilising its proprietary technology platform, managing the commercial and media rights, advising on the marketing and content strategy and engaging necessary third parties. The initial mandate is to design and develop a global online and offline tournament format due in early 2020, a launch event before the end of this year and plan an annual esports festival.
- Gfinity will engage with publishers across a wide range of genres to build out the programme. No specific games have been selected, as yet.
- Separately, announced the appointment of John Clarke to the newly created role of Global Brand and Marcomms Officer with immediate effect. John was appointed as a NED to Gfinity in September 2018. Clarke previously held senior positions at Heineken, American Express and Burson-Marsteller Public Relations.

Allenby Capital comment: The Esports Wega World Cup represents another high profile esports project following its work with Formula 1 and the Premier League. Gfinity has a track record of designing, developing and delivering esports tournaments for both games publishers and sports rights holders. There is considerable scope to expand the mandate to include the proposed annual esports festival and the 2022 World Cup.

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

Forbidden Technologies plc* (FBT.L, 6.5p/£18.5m)

Deltatre partnership extended (01.05.19)

- Deltatre has signed a 12-month extension for the use of Blackbird, Forbidden's cloud video platform. Deltatre is a leading provider of digital and broadcast services within the sports sector.
- Deltatre uses Blackbird on the Microsoft Azure cloud platform for the fast turnaround of long and short-form game highlights and clips for a wide range of sports including rugby, cycling and athletics. These can be distributed to social, mobile, web, OTT and on-demand platforms.

Allenby Capital comment: Deltatre is a long-standing Forbidden OEM client and the sports industry remains a core growth market for Forbidden as rights owners and rights holders look to deliver content quickly and efficiently that plays to Blackbird's strengths.

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

Audioboom plc* (BOOM.L, 2.35p/£30.3m)

Proposed funding: Accelerate content acquisition (30.04.19)

[Note published](#)

Allenby Capital comment: Audioboom, the leading global podcast company, has conditionally raised £2.8m at 2.5p/share that will be used to accelerate the acquisition of established podcast content through advanced payments and minimum revenue guarantees, the further development of co-production content partnerships and grow its slate of Audioboom Original Network (AON) content. Audioboom is also in negotiations for the provision of a guarantee facility to complement this funding. Co-productions and AON offer higher gross margins that will help to offset the lower gross margin associated with Audioboom's podcast media buying agency. FY19 has started well and Audioboom is now >80% sold out across its top ten podcasts for 2019. With growing eCPMs, sell through rates and active advertisers, the company is now focused on accelerating the acquisition of established third party tier 1 podcasts, as well as the retention of its current roster of third-party talent. Summary forecasts have been prepared that assume the placing funds are deployed in short order.

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

MTI Wireless Edge Ltd* (MWE.L, 26p/£23.0m)

Contract wins: Mottech and Systems Engineering (01.05.19)

- Follow on order valued at more than \$3m over five years for the provision of Mottech wireless irrigation control systems for the Chinese market. This is the largest individual order ever received by MTI. Mottech has received an initial payment and first order under the agreement.
- Contract worth c. \$1.4m for installation and integration support services to be delivered by its System Engineering division. The order is for the deployment of a tethered balloon system over a period of 24 months. A potential order had been previously been flagged in March's finals.
- No change to [forecasts](#) or 38p/share fair value.

Allenby Capital comment: Positive newsflow in two of MTI's divisions. MTI established a joint venture company in China in 2017 having secured a number of contracts for irrigation management systems and management believes that China offers a considerable market opportunity for both the agricultural and landscape sectors. The Systems Engineering division came across to MTI as part of the merger with MTI Computers & Software Services (1982), MTI's largest shareholder. It has been a specialist in the Lighter than Air, or aerostat,

industry since 1987. This encompasses overall system design and integration of platform subsystems, SIGINY, radar, communication and observation systems as well as aerostat operation.

** Allenby Capital acts as Nomad and Joint Broker to MTI Wireless Edge Ltd.*

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Allenby Capital "paid for" research services

The changes initiated by MiFID II have 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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