



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 09.09.19 (BIRD.L, MIRA.L, BOOM.L)

Blackbird plc* (BIRD.L, 11p/£32.5m)

Interims: Commercial momentum continues to build (09.09.19)

- H1 revenue +27% to a record £479k. Within this, revenue in North America increased 152% to £159k and revenue in the sports sector by 64% to £198k - two strategic growth markets. Contracted orders and deferred revenue +113% to £1.2m at H1 as Blackbird continues to build commercial momentum.
- Gross margin remained stable (83% versus 85%) and there was a £100k increase in operating costs as Blackbird carries out measured investment. As a result, Adj. EBITDA loss was flat at £1.0m and period end cash was £3.8m down £1.2m during H1.
- In H1 there were contract extensions/expansions with IMG Media, Deltatre, MSG Networks and Gfinity. New contracts were signed with Australia's National Rugby League and Peloton.
- A six-figure, multi-year deal was signed with A+E Networks that started post period end and there was also an extension to TownNews, adding a further 15 US TV stations to bring the total to 40.
- Achieved Microsoft Azure Co-Sell Partner status and enhanced the Blackbird platform with JavaScript web-based editing/clipping and enhanced social media publishing in H1. Selected to exhibit on Google's stand at the forthcoming IBC show.
- Board strengthened with appointment of Andrew Bentley as Chairman, Dawn Airey as NED and Stephen White as Chief Operating and Financial Officer.

Allenby Capital comment: H1 saw commercial momentum continue to build with Blackbird focused on the sports and news sectors that benefit from the speed and flexibility of its cloud video platform. New customers were signed and existing contracts were expanded/extended and it was notable that revenue from longer term infrastructure deals accounted for 84% of invoiced sales (52% in H1 FY18). The use of the post-production houses to target production companies has also freed up internal sales resource to focus on larger infrastructure deals. Meanwhile the relationships with Microsoft and Google represent important technical endorsements as well as routes to market. Reported revenue remains modest but there is considerable scope for growth, high levels of operating gearing and the company remains comfortably funded.

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

Mirada plc* (MIRA.L, 1.4p/£12.5m)

New customer secured (04.09.19)

- Plataforma Multimedia de Operadores secured as a customer for the deployment of Mirada's Iris Launcher for Android TV Operator Tier for its new OTT-based TV platform. Iris will be deployed across Plataforma's network with subscribers able to access content via Android set-top boxes, smartphones, tablets, laptops and smart TVs.
- Initial purchase order received and the commercial launch is scheduled for Q1 2020. The service is expected to reach at least 600,000 subscribers eventually. The order is structured under the capex model.
- Plataforma is a new company created by the main players in the Spanish cable industry. The main shareholder is Procono S.A.U (southern Spain), alongside Opencable (a wholesale service operator with >60 local operators), ACUTEL (Association of Local Telecommunications Operators of Andalusia) and AOTEC (National Association of Telecommunications Operators and Internet Services).
- No change to [forecasts](#) but we increase our fair value to 1.75p from 1.5p/share, reflecting the successful diversification of revenues and the strength of the dollar.

Allenby Capital comment: The first new customer for the recently launched Android version of Mirada's Iris multiscreen software that provides all the existing features of Iris as well as access to the Android environment and third-party apps available in the Google Play Store. Mirada will be showcasing this software at the forthcoming IBC show in Amsterdam. Mirada has been steadily growing its Iris customer base with commercial launches in Bolivia and Bermuda this year as well as a contract in Mongolia at the end of 2018. This has reduced the reliance on izzi Telecom that has proved to be an important reference for both potential customers and sales partners as well as a major source of revenue. Pay TV companies need to offer their subscribers multi-screen services if they are going to retain and maximise subscriber revenue in the face of increasing OTT competition. Mirada provides the necessary software to facilitate the end user's interaction with the service provider's STB plus the consumers own devices.

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

Audioboom plc* (BOOM.L, 210p/£29.4m)

Advertising technology partnership agreement (04.09.19)

- Advertising technology partnership with Voxnest Inc to develop scalable podcast advertising system that can quickly deliver ads to Audioboom's inventory of podcasts.
- Voxnest's advertising tool seamlessly connects to Audioboom's hosting and distribution platform to enable adverts to be delivered to Audioboom's network of 250 premium shows that have host endorsements based on location or delivered against a show's archive in order to optimise podcast revenue. For Audioboom's wider group of podcast partners, the system will deliver advertising across the entire network, connecting to ad networks and programmatic exchanges to maximise ad fill.
- Forecasts and 475p/share fair value remain [unchanged](#).

Allenby Capital comment: The technology partnership will help to futureproof Audioboom's key revenue stream as the delivery of advertising continues to evolve. Currently the vast majority of Audioboom's revenue is derived from host endorsements but programmatic/spot advertising is gaining some traction. The system should also increase the ad fill rate and optimise yield by combining priority, price competition and backfill across Audioboom's network of shows.

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

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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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