

**Blackbird plc**  
(the “Company”)

**Audited full year results for the year ended 31 December 2020**

Blackbird plc (AIM: BIRD), the developer and seller of the multi award-winning cloud-native video editing platform, Blackbird, announces its audited full year results for the year ended 31 December 2020.

**Ian McDonough, CEO of Blackbird, commented:**

“I am pleased to again report record revenues for the year of £1.57million, up 45% on the previous year despite the very challenging industry environment having a large impact on Live Sport and Post-Production, two of our key markets. The Company also made strong progress in reducing its cash burn.

During the year, Blackbird announced key partnerships with Tata Communications and EditShare, executing against our Original Equipment Manufacturers (“OEMs”) strategy, where Blackbird will be sold as an integral part of a larger end-to-end media solution. The scale of these deals will be seen in the near future as their respective sales teams sell Blackbird to end customers. Post the year end, we are delighted to have added EVS, a key provider in the live news and sports industries, to this list of global OEM partners.

We recently published a white paper on sustainability highlighting the impact of the TV and video industry on the environment and how using cloud native solutions, such as Blackbird, can significantly reduce carbon emissions from this industry. This is of strategic importance as sustainability becomes a key focus for our customers and targeted customers.

The evidence of confidence returning to our markets can be seen in a spate of recent contract wins. As COVID-19 vaccinations are rolled out, with an accelerated shift to cloud and remote workflows and with us taking a leadership role in the reduction of carbon emissions across the industry, Blackbird is very well positioned to prosper.”

**Operational highlights (post period end)**

- Deal signed with EVS, the leader in live video technology for broadcast and new media productions, to resell Blackbird
  - Announced together with deployments on two near term International sporting events
  - Adding to our list of market leading global OEM partners
- Strategic White paper ‘Video shouldn’t cost the earth’ published
  - Highlights the significant impact that the TV and video industry has on the environment
  - Showcases how cloud native solutions such as Blackbird can help reduce carbon emissions
  - Widely publicised in the industry including interviews with Ian McDonough on Sky News and IABM
- New deals in the e-learning sector with Topsy and Bo Clips
- Contract extension with Riot Games
- Partnership announced with LiveU who offer end-to-end solutions in our key sectors of Live Sport and News
- £1,218k\* revenue secured for 2021, which is up 32% year on year (2020: £924k)
- Contracted but unrecognised revenue of £1,958k\* at 19 March 2020. Of this, £951k is to be recognised in 2021, a further £591k in 2022, with the remainder in 2023 and beyond

\*Unaudited and subject to exchange rate fluctuations

**Operational highlights (during the year under review)**

- Deal announced with Tata Communications to resell Blackbird, including a first customer
  - Endorsing our core OEM strategy with one of the leading global companies in the industry
- A+E Networks doubled the volume of video edited using Blackbird for the next year in March
  - Reaffirming the Company’s land and expand strategy
- Multi-year deal signed with National Hockey League (NHL)
  - Including an expansion of services & following an initial short-term contract
- Contracted with Arsenal F.C. and Liverpool F.C. to deliver remote working solutions

- Deal finalised with Whisper to drive major production efficiencies for its clients, including Formula One
- Contracted with Sky News Arabia who will use Blackbird for remote editing in Cairo and Abu Dhabi
- Multi-year deals signed with Venn, the e-Sports trailblazers and with Live X, a production company for live events
- Extension of contracts with leading media rights companies Deltatre, MSG Networks, Australia's National Rugby League and Gfinity
- Partnership and integration with Zixi, the industry leader for enabling live broadcast-quality video over any-IP
- Winner of four industry awards including Sports Pro OTT Gold award for Emerging Tech Company of the year
- SOC2 Type 1 and Type 2 accreditation achieved
  - Reaffirming our commitment to protect our customers content and data
- Blackbird brand refreshed across all channels including new website
- Board strengthened with appointment of John Honeycutt, ex Google Cloud and Discovery Networks, joining as a Non-Executive Director

## Financial highlights

- Record revenues of £1,567k for the 12 months to 31 December 2020, up 45% year-on-year (12 months to 31 December 2019: £1,078k)
- North American revenues doubling to £968k (12 months to 31 December 2019: £469k)
- Contracted but unrecognised revenue of £1,931k (31 December 2019: £1,881k). £1,058k of this balance is to be recognised in 2021 (at 31 December 2019: 797k to be recognised in 2020), £501k in 2022, £221k in 2023 and £151k in 2024.
- Operating costs increased to £2,820k (12 months to 31 December 2019: £2,689k) due to increased staffing to enable operational resilience
- Net loss after tax £1,881k (12 months to 31 December 2019: net loss after tax £2,129k)
- Net cash outflow, ignoring proceeds from share issues and transfers into short-term deposits, reduced to £1,579k (12 months to 31 December 2019: £2,279k)
- At 31 December 2020 the Company had cash and short-term deposits of £6,546k (2019: £7,965k) and no debt

## Enquiries:

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## About Blackbird plc

Blackbird plc operates in the fast-growing SaaS and cloud video market. It has created Blackbird, the world's most advanced suite of cloud-native computing applications for video, all underpinned by its lightning-fast codec. Blackbird plc's patented technology allows for frame accurate navigation, playback, viewing and editing in the cloud. Blackbird underpins multiple applications, which are used by rights holders, broadcasters, sports and news video specialists, esports, live events and content owners, post-production houses, other mass market digital video channels and corporations.

Since it is cloud-native, Blackbird removes the need for costly, high end workstations and can be used from almost anywhere on almost any device. It also allows full visibility on multi-location digital content, improves time to market for live content such as video clips and highlights for social media distribution, and ultimately results in much more effective monetisation.

Blackbird® is a registered trademark of Blackbird plc.

## Websites

[www.blackbird.video](http://www.blackbird.video)

## Social media

[www.linkedin.com/company/blackbird-cloud](http://www.linkedin.com/company/blackbird-cloud)

[www.twitter.com/blackbirdcloud](http://www.twitter.com/blackbirdcloud)

[www.facebook.com/blackbirdplc](http://www.facebook.com/blackbirdplc)

## Chairman's statement

2020 was undoubtedly one of the most unusual years in living memory as the world got to grips with the deadly COVID19 disease and we all adjusted to a new way of living. When working remotely became the norm, Blackbird's cloud-based technology found a new resonance within our sector. Two of the key tenets of the Blackbird technology are the ability to work collaboratively and remotely on any connected device, making the transition to home working seamless for our customers, their employees and our own team. With new ways of working, the real advantages of Blackbird have been recognised and celebrated across our sector, resulting in numerous awards for our technology and culminating in the "Emerging Technology Company of the Year" award from the international "Sports Pro OTT Awards".

The year brought unprecedented levels of awareness and enquiries ensuring that we were able to continue to build upon the sales momentum that we enjoyed in 2019. As well as year-on-year revenue growth of 45%, we also grew our contracted but unrecognised revenue to £1,931,131. As we onboarded yet more meaningful global brands to our platform, our OEM strategy of partnering with key major infrastructure players where we access our partners' sales channels as a route to market, resulted in new distribution partnerships with Tata Communications and EditShare (amongst others), which will allow us to significantly broaden our market reach.

As we go forward, we will broaden our strategic focus on News and Sports to include other areas where our unique technology has demonstrable advantages – in particular where we can show not only the efficiency of our technology in terms of infrastructure and timeliness, but also the very real benefits for sustainability and environmental impact. These areas are where Blackbird outperforms all of its competition.

Our results for the year show our growing turnover run rate resulting from our increased market presence and strategic partnerships. The Company recognised revenues of £1,567,109 (2019: £1,077,643). We continued to grow our North American business which doubled to £968,251 in 2020 (2019: £468,714) and now comprises 62% of our revenues. By customer type, our revenue mix remains strong with 59% coming from infrastructure and 41% from OEM sales.

In a year that has been very difficult for many individuals and for many businesses, Blackbird has prospered. The Board believes that the Company continues to be well positioned to exploit its technological advantages and continue to grow in the large, dynamic cloud video market.

## Income statement and statement of financial position

In the year ended 31 December 2020, the Company recorded revenues of £1,567,109 (2019: £1,077,643), which represented an increase of 45% year on year.

Operating costs during the year to 31 December 2020 were £2,819,692 compared to £2,689,101 in the corresponding period in 2019 as we strengthened the team in order to provide operational resilience as we continue to grow.

The loss before interest, taxation, depreciation and amortisation was down 20% to £1,415,921 (2019 loss of £1,771,822). The net loss for the year was £1,880,604 compared to a net loss of £2,128,919 in 2019.

The Company ended the year with a strong balance sheet including £6,545,841 in cash and short-term deposits (31 December 2019: £7,965,491). During the year the Company reduced its cash burn, excluding proceeds from share issues and transfers into short-term deposits, to £1,579,281 from £2,332,607 in 2019, a result of increased revenue and benefits from a shift initiated in 2019 to charge annual licence fees upfront, wherever possible, as we transitioned our strategy away from project-based contracts to longer-term infrastructure and OEM deals.

## **Board changes**

In June 2020 we welcomed John Honeycutt as a new Non-Executive Director to the Board. John is a global Information and Media Technology leader and expert in cloud services, supply chain logistics and cyber security. He has significant international experience in business strategy and operations, mergers and acquisitions, transformation and large-scale project implementation across the media industry. He previously worked for Google, FOX Cable Networks and Liberty Media in roles including Chief Media Technology Officer, Chief Operating Officer as well as Chief of Technology. As Google's Vice President of Telecommunications, Media and Entertainment and Gaming he developed Google Cloud's initial product development and go to market strategies across those sectors. He has recently been appointed Chair of the International Broadcasting Convention council. We are very pleased that John has joined the Blackbird team where he is already making a valuable contribution.

## **Blackbird platform development**

We remain committed to the continuous improvement of the Blackbird platform. To support the Company's growth plans and OEM strategy, the Blackbird platform is being optimised for use on scalable public cloud infrastructure. This is to support its availability as a more tightly integrated part of our OEM partner systems, accessed via a secure single sign-on user experience.

We remain committed to maintaining the superiority of our video codec, and to extending its applicable markets. Additional capabilities of the next generation Blackbird 10 video codec, which is in development, will further consolidate our technological competitive edge across the wider Blackbird platform.

Furthermore, we are ensuring that Blackbird can be integrated with third party functionality such as Artificial Intelligence ("AI") and data-feeds and have commenced initial projects working with market-leading specialists in their fields.

With all of the Blackbird web applications now available in JavaScript implementations, Blackbird products are now available on virtually any device without configuration.

## **Current trading and outlook**

As noted earlier, we start the current year in a strong financial position, with a strong balance sheet and contracted but unrecognised revenue of £1,931,131 as at 31 December 2020 (31 December 2019: £1,881,133). £1,058,327 of this balance relates to revenue to be recognised in 2021 (At 31 December 2019: £797,373 related to revenue to be recognised in 2020).

With the prospect of prolonged working from home through 2021, Blackbird remains well positioned to build upon its key proposition and expand into wider OEM partnerships. We will also explore the potential to serve other sectors where we have a compelling advantage and proven capability either directly or through partnership arrangements. The Board remains committed to realising the full potential of our remarkable technology and will continue to test and refine the best ways in which to achieve this.

Finally, the Blackbird brand has markedly grown in awareness and reputation over the last year and the Board would like to thank and recognise Ian and his team for the significant progress that has been made during a very challenging time for all of us. We believe that with our excellent management team in place, we have the platform and strategy to grow our business successfully.

**Andrew Bentley**  
**Chairman**

## Chief Executive Officer's statement

The world faced unprecedented challenges in 2020. The ongoing, and hopefully soon to be concluded, Covid crisis has generated a huge number of proof points as to the 'whys' behind our Blackbird technology. Whilst Blackbird was not designed specifically for a pandemic, our 'whys' have always been to offer operational resilience and complete end user freedom. Therefore, it's no surprise that we were able to thrive throughout the crisis, provide uninterrupted support to existing and new customers and start to emerge from the other side of the pandemic a bigger and stronger organisation.

We recorded record revenues of £1,567,109 (2019: £1,077,643) in the 12 months to 31 December 2020, which reflects our highest meaningful annual growth rate. We also brought some of the biggest and most prestigious names in US and EMEA based sports and news on to our roster including the National Hockey League (NHL), Riot Games, Sky News Arabia and Arsenal FC.

There is no doubt the world has changed. We have all now become fully used to operating remotely. Whether this be shopping, eating, socialising or most of all working, we have all been on an accelerated digital journey and become increasingly familiar with a select number of new technologies. There have been some significant winners in this tumultuous period, particularly in technology where businesses were either prepared for such an eventuality or could quickly adapt. On the flip side, real estate, travel and retail have seen some notable casualties.

When it comes to the video sector the ideal production solutions are subscription based, very fast, highly flexible, cost effective, easy to use and provide a top-class user experience. It is important that they have quick on boarding, low up front cost and are accessible to many. It is also increasingly vital that they are carbon efficient and kind to the environment.

When we discuss the 'whys' of resilience and freedom then the reason for Blackbird growing and winning prestigious contracts in such an environment is clear. We deliver on all of the required criteria and are still improving each day to maintain our competitive advantage.

In term of operational highlights, our abilities to respond to specifics of the crisis were key when we started to be used by both Arsenal FC and Liverpool FC to help their home bound production workforce. Both clubs had their staff working from home but needed to keep output high and global fans engaged. Blackbird was able to help them with that, providing access to central storage while their staff were kept safe.

It was a similar situation at our large US based customer A+E Networks. As the crisis engulfed the New York area and US Eastern seaboard, they needed to evacuate their Midtown Manhattan and Connecticut facilities and move all editors safely to their homes. This led to them using Blackbird in a much deeper and more integrated role allowing editing, reviewing and access to content to many new departments resulting in a doubling of their existing order to us for a period of one year. So thrilled are A+E Networks with Blackbird that they have submitted our remote production solution to the 2021 National Emmys for technical achievement.

As we moved into the summer then we were able to provide similar remote solutions to Sky News Arabia who have editing teams in Abu Dhabi and Egypt and required seamless and instant collaboration.

One of the entertainment sectors that has performed best under such conditions is undoubtedly esports. Riot Games, owners of League of Legends, were doing very well. However, due to restrictions, their teams were unable to travel to their central facility in Los Angeles and producers and editors needed to operate from their homes. Blackbird was able to provide that ability – with output from our platform so fast that Riot Games edited it back into their main broadcast stream.

As live sport started to return to play, Blackbird was there for existing customer the National Rugby League (NRL) in Australia who were the first full contact sport back in action. Blackbird was very much a part of that story and allowed their editors and producers to clip and edit live games and produce highlights remotely.

We increased our involvement in the sports industry's return to play with the NHL in the US. As the Stanley Cup playoffs returned, stranded production teams used Blackbird to edit remotely from the safety of their own homes. We now have a multi-year deal with the NHL and have since been moved into a central facility in New York as full production came back on stream. Blackbird was used in February this year on the high-profile Lake Tahoe outdoor broadcasts which commenced with the Colorado Avalanche and the Vegas Golden Knights.

## **Progress on our OEM Strategy**

We are delighted to have significantly developed the stated OEM strategy within 2020 and post period end.

In August we announced an OEM partnership together with global telecommunications giant, Tata Communications. Part of Tata group, Tata Communications serves more than 7,000 corporate customers globally. It delivers more than 5,000 live events every year, of which 750 are remotely produced. It manages distribution for 800+ television channels across the globe with 10,000+ Terabytes of content storage and transfer, reaching over 2 billion sports fans.

We announced the Tata Communications partnership together with our first commercial deal with them, which is a major production partner in India. We have since had a second deal for an international sporting season. We are unable to announce the names of these clients for confidentiality reasons, however we can say that they are both very much in our target segment. Blackbird and Tata Communications are both very active on a global basis to bring new customers in and have a number in negotiation.

We are very active in bringing other strategically aligned OEMs on board and in addition to Tata have also announced EditShare and Zixi.

In the first quarter of 2021 we announced two further partnerships. One with EVS, a globally recognised leader in live video technology for broadcast and new media productions, together with a deal on two major International sporting events, one in the Summer of 2021 and one in the Winter of early 2022. Secondly, we announced a partnership with LiveU, who offer end-to-end contribution, production and distribution solutions for live news and sports.

## **Outlook**

Blackbird has made great progress in the last year, in addition to the sales acceleration and executing against our OEM strategy, we have shown ourselves to be operationally resilient with the team working from home and enabled safe remote working environments for our customers. The security of our customers' content and data is of utmost importance to us and our commitment to this is shown by the team achieving the SOC2 Type II accreditation. This will enable more efficient onboarding of potential customers.

At a strategic level, we will be publishing at least two white papers this year on topics important to our customers and future prospects. The first of these, published on 16 March 2021, addresses sustainability in the TV and Video Production industry and showcases how Blackbird, intrinsically through its elegant design, is many multiples more carbon efficient than competitor workflows enabling customers and partners to, in turn, reduce their own carbon footprint. The second paper, on the Total Cost of Ownership of cloud-based tools, is due to be published later in 2021 and will highlight how Blackbird is a more cost effective overall solution than alternative non-linear editor workflows. Through our upfront transparent licence fees, our customers avoid unexpected expenditure and what has become known as 'Bill Shock'.

The world has changed dramatically over the last year. There has been a huge acceleration to digital and remote workflows and the Cloud Solutions that enable them. With our secure, flexible, scalable platform that is rapidly growing in profile and reputation, I am confident that Blackbird is well positioned for strong future growth.

**Ian McDonough**  
**Chief Executive Officer**

## Income statement and statement of comprehensive income for the year ended 31 December 2020

	2020 £	2019 £
<b>CONTINUING OPERATIONS</b>		
Revenue	1,567,109	1,077,643
Cost of Sales	(163,338)	(161,269)
<b>GROSS PROFIT</b>	1,403,771	916,374
Other income	-	625
Operating costs	(2,819,692)	(2,689,101)
<b>EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION AND EMPLOYEE SHARE OPTION COSTS</b>	(1,415,921)	(1,772,102)
Depreciation	(108,681)	(93,130)
Amortisation	(275,935)	(267,734)
Employee share option costs	(138,933)	(46,774)
	(523,549)	(407,638)
<b>OPERATING LOSS</b>	(1,939,470)	(2,179,460)
Net Finance income	33,451	18,397
<b>LOSS BEFORE INCOME TAX</b>	(1,906,019)	(2,161,063)
Income tax	25,415	32,424
<b>LOSS FOR THE YEAR</b>	(1,880,604)	(2,128,639)
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	(1,880,604)	(2,128,639)
Earnings per share expressed in pence per share		
Basic – continuing and total operations	(0.56p)	(0.71p)

## Statements of financial position as at 31 December 2020

	2020	2019
	£	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	1,105,657	972,245
Property, plant and equipment	308,565	391,044
Investments	-	-
	<hr/> 1,414,222	<hr/> 1,363,289
<b>CURRENT ASSETS</b>		
Trade and other receivables	292,834	503,037
Stock	15,728	661
Current tax assets	25,415	32,424
Short-term investments	1,617,820	-
Cash and bank balances	4,928,021	7,965,491
	<hr/> 6,879,918	<hr/> 8,501,613
<b>TOTAL ASSETS</b>	<hr/> <hr/> 8,294,040	<hr/> <hr/> 9,864,902
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Issued share capital	2,696,433	2,681,913
Share premium	26,516,613	26,371,502
Capital contribution reserve	125,000	125,000
Retained earnings	(22,198,762)	(20,457,091)
<b>TOTAL EQUITY</b>	<hr/> 7,139,284	<hr/> 8,721,324
<b>NON-CURRENT LIABILITIES</b>		
Lease and other payables	324,044	323,135
	<hr/> 324,044	<hr/> 323,135
<b>CURRENT LIABILITIES</b>		
Trade and other payables	830,712	820,443
<b>TOTAL LIABILITIES</b>	<hr/> 1,154,756	<hr/> 1,143,578
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <hr/> 8,294,040	<hr/> <hr/> 9,864,902



## Statement of changes in equity for the year ended 31 December 2020

	Issued share capital £	Retained earnings £	Share premium £	Capital contribution reserve £	Total equity £
<b>Balance at 1 January 2019</b>	2,363,890	(18,375,226)	21,456,572	125,000	5,570,236
<b>Changes in equity</b>					
Issue of share capital	318,023	-	5,234,945	-	5,552,968
Share issue expenses	-	-	(320,015)	-	(320,015)
Share based payment	-	46,774	-	-	46,774
Total comprehensive loss for the year	-	(2,128,639)	-	-	(2,128,639)
<b>Balance at 31 December 2019</b>	2,681,913	(20,457,091)	26,371,502	125,000	8,721,324
<b>Changes in equity</b>					
Issue of share capital	14,520	-	145,111	-	159,631
Share based payment	-	138,933	-	-	138,933
Total comprehensive loss for the year	-	(1,880,604)	-	-	(1,880,604)
<b>Balance at 31 December 2020</b>	2,696,433	(22,198,762)	26,516,631	125,000	7,139,284

**Statement of cash flows for the year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash used in operations	A	(1,089,946)	(1,865,056)
Interest paid on lease liabilities		(16,059)	(13,449)
Tax received		32,424	24,534
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Net cash from operating activities		(1,073,581)	(1,853,971)
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<b>Cash flows from investing activities</b>			
Payments for intangible fixed assets		(425,848)	(434,167)
Payments for property, plant and equipment		(26,203)	(19,370)
Transfer into short-term investments		(1,617,820)	-
Interest received		43,172	30,586
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Net cash from investing activities		(2,026,699)	(422,951)
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<b>Cash flows from financing activities</b>			
Share issues (net of expenses)		159,631	5,271,478
Payment of lease liabilities		(96,821)	(53,250)
Repayment of finance leases		-	(2,437)
<hr/>			
Net cash from financing activities		62,810	5,215,791
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(Decrease)/Increase in cash and cash equivalents		(3,037,470)	2,938,869
Cash and cash equivalents at beginning of year		7,965,491	5,026,622
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Cash and cash equivalents at end of year		4,928,021	7,965,491
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A. **Reconciliation of loss before income tax to cash used in operations**

	2020 £	2019 £
Loss before income tax	(1,906,019)	(2,161,342)
Depreciation	108,681	93,129
Amortisation charges	275,935	267,734
Employee share option costs	138,933	46,774
Finance income	(33,451)	(18,397)
<b>Earnings before interest, taxation, depreciation and amortisation</b>	<b>(1,415,921)</b>	<b>(1,772,102)</b>
Movements in working capital:		
Decrease in trade and other receivables	202,145	(205,527)
Increase in trade and other payables	123,830	112,573
<b>Cash used in operations</b>	<b>(1,089,946)</b>	<b>(1,865,056)</b>