

Blackbird plc
 (“Blackbird” or the “Company”)

Audited full year results for the year ended 31 December 2022

Blackbird plc (AIM: BIRD, OTCQX: BBRDF), the technology licensor, 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 2022.

Ian McDonough, CEO of Blackbird, commented:

“I am delighted to report record revenues for the fifth consecutive year of £2.85 million, up 38% on the previous year.

“2022 has been a transformational year for the Company. Firstly, the Company delivered against the statement of work for EVS, its first technology licensee. EVS’ resulting product, IPD VIA Create, was subsequently used by a US broadcaster on a major global sporting event towards the end of the year. We have high hopes that this deal will be lucrative for the Company in the future as EVS rolls out IPD VIA Create to their customer base. Secondly, the Company has continued to serve high-profile customers, with both FIFA and NCSA, amongst others, onboarded during the year, enabling them to have trusted, fast, efficient content creation tools on their valuable content. Finally, on the back of the fundraise in December 2021, the Company has employed new talent, including Sumit Rai, Chief Product Officer, Mo Volans, SVP Product Marketing and Morgan Henry, VP Engineering. They have already made a great mark and have set out their exciting vision for the next phase of our strategic direction in the public cloud via our Blackbird SaaS platform.

“Our Blackbird SaaS platform will be built on our core technology and open up a wider addressable market and accelerate sales growth as we move beyond our existing media and entertainment base into the creator space. Development is progressing well and we look forward to sharing further details with shareholders as the year progresses ahead of a product launch towards the beginning of next year.

“We start 2023 in a strong position financially, with £10.1 million in cash and short-term investments at 31 December 2022, a healthy order book of £3.4 million and some exciting conversations around ‘Powered by Blackbird’. I am really excited about our future prospects and look forward to working with the Blackbird team to deliver further success.”

Operational highlights (post year end)

- Deal signed with Argentinian station Telefe, part of the Paramount Global group and introduced by the CBS sports team, for football highlights
- In conjunction with leading research consultancy, Caretta Research, launched a video industry study ‘Going native: production in the cloud’
 - the report highlights increased cost and inefficiencies from lift-and-shift cloud workflows
- £1,618k* revenue secured for 2023, at end of February 2023, which is down 20% year on year (2022 comparative at end of February 2022: £2,025k) mainly due to no ‘Powered by Blackbird’ development fees being scheduled for 2023 (2022 comparative of £454k)
- Contracted but unrecognised revenue of £3,099k* at end of February 2023. Of this, £1,281k* is to be recognised in 2023, a further £1,065k* in 2024, with the remainder in 2025 and beyond

*Unaudited and subject to exchange rate fluctuations

Operational highlights (during the year)

- First technology licensing deal delivered and with the first end user customer being a major US broadcaster
 - endorsing the value that Blackbird’s technology can bring to a third party’s infrastructure
- Key hires made and progress made on the Blackbird SaaS platform

- self service product being developed to widen addressable market and accelerate sales growth
- Successful deployment at the winter games in February 2022, allowing editors to work remotely from another continent
 - validating that Blackbird can be trusted on the most valuable content
- Expansion within the Univision and 'global financial news service' accounts
 - reaffirming our 'land and expand' approach
- Successful FIFA deployment
 - now extensively used on their FIFA+ OTT service
 - expansion into live workflows
- Multi-year deal signed with Next College Student Athlete (NCSA), who are a part of the IMG group
- Deal signed with SBS Belgium to produce media assets for its OTT platform
- LiveU/Blackbird solution used in coverage of a further two German elections
- One of a few partners chosen to be on Microsoft's stand at the NAB and IBC industry shows
- Achieved AWS Technology Partner status and completed Foundational Technical Review
 - stepping stone to launching the Blackbird SaaS platform in a public cloud which will open up the Company's addressable market
- Strategic white papers released by the Company on
 - Blackbird architecture: highlighting the 'magic' behind Blackbird's cloud native solution and the associated unique benefits
 - sustainability: endorsed by Hannah Mills and leading a call for action to the industry to reduce carbon at source in video production
- Multiple award wins, including the 'Queen's Award for Enterprise: International Trade' and IABM's 2022 'Broadcast / Media Company of the Year'

Financial highlights

- Record revenues of £2,847k for the 12 months to 31 December 2022, up 38% year-on-year (12 months to 31 December 2021: £2,066k)
- Contracted but unrecognised revenue of £3,426k down 8% year-on-year (as at 31 December 2021: £3,732k). The reduction year-on-year is due to no technology development fees being in the order book at 31 December 2022 (31 December 2021: £454k)
 - £1,597k of this balance is to be recognised in 2023 (as at 31 December 2021: £1,810k to be recognised in 2022),
 - £1,045k in 2024 (as at 31 December 2021: £731k to be recognised in 2023),
 - £481k in 2025 and the remainder in 2026
- Operating costs, excluding LTIP provision, increased to £4,510k (12 months to 31 December 2021: £3,107k) predominantly due to £822k costs associated with the Blackbird SaaS platform; a further £467k from increased staff costs and £95k increased marketing costs mainly from attendance at trade shows again post the pandemic
- Adjusted EBITDA loss (pre LTIP and share option costs), increased £609k year on year due to increased operating costs, offset by higher revenue
- LTIP provision credit to income statement of £350k (2021: debit of £358k) booked in the year based on the release of the 2021 year end provision less a payout of £106k for the first LTIP period

- Net loss after tax £1,917k (12 months to 31 December 2021: net loss after tax £2,135k) due to a worse EBITDA pre LTIP provision and share option costs offset by the LTIP movement and a higher R&D tax credit in 2022 compared to the prior year
- Net cash outflow, ignoring proceeds from share issues and transfers into short-term deposits, increased to £2,746k (12 months to 31 December 2021: £1,468k) due to £793k costs associated with our Blackbird SaaS platform and £491k increase in trade debtors due to timing of payments from a few customers (these balances were settled in 2023)
- At 31 December 2022 the Company had cash and short-term deposits of £10,099k (2021: £12,839k) and no debt

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Blackbird plc

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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® enables 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 digital distribution, and ultimately results in much more effective monetisation.

Blackbird plc is a licensor of its core video technology under its 'Powered by Blackbird' licensing model. Enabling video companies to accelerate their path to true cloud business models, licensees benefit from power and carbon reductions, cost and time savings, less hardware and bandwidth requirements and easy scalability.

Chairman's statement

2022 was another year of industry recognition with the Company winning multiple awards, including the Queen's award for Enterprise: International trade and IABM's Broadcast/Media Company of the year 2022, demonstrating that we lead the field in cloud native video production technological capabilities.

Our claim that Blackbird is the world's fastest, most powerful professional cloud video editing and publishing platform has resonance across the industry. Blackbird enables remote editing via a fully featured browser-based editor. In addition, a key feature is how we empower collaborative working for distributed teams. Furthermore, Blackbird is significantly "infrastructure light" and requires only limited bandwidth making us an ultra-green technology platform. As such, we will become increasingly more important to our clients in achieving their carbon emissions Scope 3 reduction targets as set out in their ESG goals.

Strategy

Our strategy is about building upon our strengths, for which we have a two-fold approach:

Firstly, to leverage our technology to broaden our addressable market through OEM partners beyond our existing blue chip customers within Media and Entertainment (M&E). Being a vital and integral part of an end-to-end solution will increase our market applicability and allow us to scale quickly and efficiently. In 2022, we successfully executed the embedding of our technology within the EVS ecosystem, who in turn are successfully deploying their integrated platform into a major US broadcast client. Other similar licence deals are in discussions with industry leading partners across their large global client base as well as to new prospects.

Secondly, to make our platform more accessible and frictionless thus widening the market potential beyond M&E. Our focus is on creating a self-service SaaS platform provided on a public cloud ("Blackbird SaaS"). We continue to drive innovation, creating valuable IP in the process. On the back of our successful placing in December 2021 we have expanded our team to bring on board, product, engineering and marketing talent to enable us to initially address the Prosumer and Pro Teams markets. Our focus groups and prospect leads indicate demand and significant interest. According to market research, management believes that the industry comprises around 100 million creators¹ focused on film making and podcasts and around 50 million from enterprises². As such, the Company views its total addressable market as around 150 million potential users. We are very excited about this opportunity and anticipate launching our first stand-alone subscription product in early 2024.

Governance

During the last year, I engaged a third party consultant to review the Board's composition, skills and experience. The results showed a relevant and acceptable experience within the Board and a compliant degree of independence in line with QCA' Corporate Governance Guidelines. The Board remains committed to ensuring that the experience of the Directors remains relevant to the future strategy of the Company and will on occasion make any necessary changes to its membership or composition.

Outlook

Looking forward, our 'Powered by Blackbird' strategy has the potential to significantly increase our addressable markets. Similarly, our new product development team are developing a self-service platform that will be relevant to Pro Teams and Prosumers as well as professional broadcasters, who continue to look for more effective solutions. The benefits of these solutions will include improved remote collaboration and convenience. 'Powered by Blackbird' enables our partners to license our technology and incorporate it within their ecosystem, driving efficiencies and carbon emissions reductions and positioning Blackbird for meaningful growth.

Andrew Bentley
Chairman

¹Source Adobe 'Future of Creativity' study September 2022. With around a third of the 303million creators generating video content and podcasts

²Gartner December 2019 article 'When we exceeded 1 billion knowledge workers'. Management estimate 5% will utilise tools available in Blackbird SaaS

Chief Executive Officer's statement

I am delighted that for the fifth consecutive year the Company has once again delivered record revenues of £2.85 million, up 38% on 2021.

2022 has been a transformational year and despite significant global headwinds in the media and technology sectors the appeal of Blackbird as the fastest, most carbon efficient, cost-effective, professional web editing platform and technology has gained momentum.

The key highlights during the last year include the Company executing its first technology licensing deal, directly playing a part in some of the biggest international sports events including the global football tournament in Qatar, the winter games in Beijing and the pinnacle of the American football season and winning several awards in the process including a prestigious Queen's Award for Enterprise.

Blackbird SaaS

We have also focused on the long term strategy for the business by initiating our strategy for a self-service model architected natively in a public cloud (Blackbird SaaS). Following our fundraise for this product in December 2021 we have hired the core of the team to design, build and roll out this new platform. We are excited about the opportunities presented by Blackbird SaaS and will be progressing our investment in this platform during the rest of this year.

The Blackbird SaaS platform's aim is to simplify the video production process for professional teams and prosumers. Development of the Blackbird SaaS Platform is well underway utilising the Company's existing intellectual property and core technology.

The Blackbird SaaS platform will be targeted at the creator and enterprise markets and provide users with access to tools and technologies which are usually only available to professionals within the media industry. Within these markets, the first targeted customers are expected to be: i) 'Prosumers' (which includes, inter alia, freelance creators, monetised YouTube producers, video podcasters); and ii) 'Professional teams'.

The Company's intention is to offer the Blackbird SaaS platform at various monthly subscription price points depending on the level of the Blackbird SaaS platform's functionality and features.

We have remained true to our strategy to evolve from selling to direct infrastructure customers through to OEM partnerships and eventually to a self-service via a native public cloud integration. We are excited to be delivering on these stated aims.

In terms of serving direct customers, we have brought in new customers this year including those from FIFA, NCSA, All3Media and SBS amongst others. FIFA was probably the most high-profile direct relationship of the year and they used Blackbird for every game during the 2022 global football tournament in December to create and publish match highlights to the FIFA+ platform. It really was a privilege to be a part of such a well-received global event. The FIFA+ platform is a very good place to see our software in action as all match highlights there are created fully using Blackbird.

We continue to be trusted with existing customers too as we have expanded our presence in the TelevisaUnivision and global financial news service accounts and in IMG through NCSA. We also extended our presence in the CBS account, post the year end, striking a deal with Telefe in Argentina.

By far the biggest project to be executed within the year, or any year for us so far, was to deliver fully against the statement of development work for EVS, the Company's first 'Powered by Blackbird' technology licensing deal. The core technology at the heart of our platform is recognised as a solution that can bring the multiple benefits of the codec and surrounding video libraries to the media and entertainment industry at scale. The product the two companies have created together, IPD Via Create was announced to the industry in December and is currently being rolled out to a major US broadcaster.

IPD VIA Create will enable companies to edit live footage while it is being captured in the EVS Via production asset management system bringing a high degree of functionality and increased speed to live workflows in sports, news and entertainment. EVS has an excellent reputation and is a global player in the production of live events with 15 offices around the world and headquartered in Belgium.

The relationship between the two companies is strong with aligned values particularly around sustainability. EVS showcased IPD VIA Create as well as the Blackbird integration with IP Director and MediaHub at the IBC show in Amsterdam in September. We are currently in negotiations around a second statement of work which would be an extension to the functionality allowing EVS to win further customers. The technology licensing arrangement includes not only a development fee but also a revenue share of any seat sold plus a fee for every additional channel provisioned. As the product is rolled out to the market over the next months and years, we expect this to be a significant source of revenue.

The launch created a stir in the media and entertainment market and we continue to discuss further rollout of the 'Powered by Blackbird' with other industry prospects.

With regards to the future product development for our self-service model, we have made significant advances this year. We succeeded in attracting Sumit Rai as our Chief Product Officer from his role leading the development of the editing platform Vegas Pro – one of the world's leading editing platforms by numbers of users. In Sumit's own words he has joined Blackbird because he believes that 'cloud migration for editing, production and distribution is set to continue unabated and those that succeed in cloud tools will dominate the sector'. Blackbird has already solved many of the challenging problems for making this a vision a reality with our patented codec and video libraries and therefore is at significant advantage to other industry players in both speed to market and resilience.

We have also strengthened our product engineering team, bringing in Morgan Henry as VP of Engineering. Morgan now manages the product engineering team and has allowed Stephen Streater, together with a small R&D team, to focus on technology innovation and Blackbird 10 in particular – a core tenet of the new Blackbird SaaS platform.

The December 2021 fundraise allowed us to strengthen across the board in engineering and in product marketing. Mo Volans has joined us as SVP Product Marketing from Vegas where he previously worked with Sumit.

Blackbird's profile has remained high during the year, and we are delighted to have won a prestigious Queen's Award for Enterprise for overseas trade. I was lucky enough to visit Buckingham Palace and talk to Princess Anne, the Princess Royal and the now King Charles III about Blackbird.

We also won the 2022 IABM Broadcast/Media Company of the Year as a result of our commercial successes, innovation and work we have done to make Blackbird the most carbon efficient platform on the market and to raise awareness of the subject.

In terms of thought leadership, we published four white papers this year. One was a second part to the carbon paper published in 2021 where the wider impact of the media sector on the environment was analysed. Two papers, compiled in conjunction with Caretta Research, focused on how cloud tools are used in the media sector and where the issues are. The most significant conclusion from these were that cloud tools are not generally being used efficiently due to replicating on premise infrastructure in the cloud which is highly inefficient. The fourth paper was the results of a speed test in which Blackbird was pitted head-to-head against traditional non-linear editors and was found to be up to four times faster.

To conclude, there has never been a more exciting time for Blackbird. We enter 2023 as an established brand in the media and entertainment sector where we are recognised as a leader and innovator. We have blue chip clientele for our platform and our technology now forms the core of IPD Via Create which we hope will be rolled out far and wide in the next few years. Finally, we are executing on our strategy of taking the Blackbird SaaS platform to a broad appeal audience through a self-service model in the public cloud.

Ian McDonough
Chief Executive Officer

Financial review

Revenue

In the year ended 31 December 2022, the Company recorded revenues of £2,847k (2021: £2,066k), which represented an increase of 38% year-on-year. Our first technology licensing deal with EVS drove the majority of this increase, with development fees and the first annual sales minimum guarantee accounting for £611k revenue in the year.

Operating Costs

Operating costs, excluding LTIP provision, during the year to 31 December 2022 were £4,510k compared to £3,107k in the corresponding period in 2021. £822k of the increase came from costs, mainly staff, associated with the development of the 'Blackbird SaaS' platform. A further £466k came from increased staff costs on the current platform from salary increases, a full year of 2021 hires and additional R&D staff. £95k increase came from increased marketing costs predominantly from attendance at trade shows again, post the pandemic.

Performance measures

The Company has identified certain metrics such as: i) Adjusted EBITDA pre LTIP provision and share option costs; and ii) cash burn excluding proceeds from share issues and transfers into short-term deposits, which whilst they are non-GAAP metrics, assist in the understanding of business performance. These alternative performance measurements may not be directly comparable with other companies' measures and are not intended to be a substitute for any International Accounting Standards performance measures. The Company believes that EBITDA pre LTIP provision and share option costs is the best measure to reflect core operational performance and that cash burn, excluding proceeds from share issues and transfers into short-term deposits, provides the best measure of the cash being utilised by the business until it can be self-generating.

Adjusted EBITDA pre LTIP provision and share option costs

The EBITDA pre LTIP provision and share option costs loss increased to a loss of £1,806k (2021: a loss of £1,197k). This was due to higher operating costs, which are explained above, partially offset by higher revenue.

LTIP

The first LTIP period came to an end during 2022. The 2021 year end LTIP provision was based on a share price of 30.75 pence. As forecast in last year's annual report the Company's share price fell in line with the sell off of global technology stocks. The LTIP payout for the first LTIP period was £105,508 based on a share price of 16.93 pence. As no further LTIP units relating to the second LTIP period were issued during the year a credit of £350k was taken to the Income statement during the period (2021: £358k expense in Income statement).

Net loss

The net loss for the year was £1,917k compared to a net loss of £2,135k in 2021 due to a worse EBITDA pre LTIP provision and share option costs offset by the LTIP movement compared to prior year, both of which are explained above, and a higher R&D tax credit in 2022 compared to the prior year.

Cash burn excluding proceeds from share issues and transfers into short-term deposits

During the year the Company's cash burn, excluding proceeds from share issues and transfers into short-term deposits, increased to £2,746k from £1,468k in 2021, a result of £793k additional costs incurred on developing the 'Blackbird SaaS' platform and a £491k increase in trade debtors due to timing of payments from a few customers. These balances were settled in 2023.

The Company ended the year with a strong balance sheet including £10,099k of cash and short-term deposits (31 December 2021: £12,389k) and no debt.

Outlook

The Company started the year with a healthy contracted but unrecognised revenue balance of £3,426k (2021: £3,732k) down on prior year as the 2021 balance contained £454k of EVS development fees with no comparative at the end of 2022. £1,597k of the year-end balance relates to revenue to be recognised in 2023 (2021 comparative: £1,810k revenue to be recognised in 2022). We anticipate the 'Blackbird SaaS' platform to be launched towards the start of 2024. This will open up our addressable market and accelerate sales growth through the self-service model.

Stephen White
Chief Operating and Financial Officer

Income statement and statement of comprehensive income for the year ended 31 December 2022

	2022 £	2021 £
CONTINUING OPERATIONS		
Revenue	2,847,202	2,066,271
Cost of Sales	(143,149)	(155,691)
GROSS PROFIT	2,704,053	1,910,580
Operating costs excluding LTIP provision and share option costs	(4,509,938)	(3,107,283)
ADJUSTED EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION AND LTIP PROVISION (ADJUSTED EBITDA pre LTIP and share option costs)	(1,805,885)	(1,196,703)
Movement on LTIP provision	350,431	(357,712)
Employee share option costs	(168,981)	(176,583)
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION, AMORTISATION (EBITDA)	(1,624,435)	(1,730,998)
Depreciation	(144,677)	(117,199)
Amortisation	(383,330)	(337,078)
	(528,007)	(454,277)
OPERATING LOSS	(2,152,442)	(2,185,275)
Net Finance income	141,414	18,382
LOSS BEFORE INCOME TAX	(2,011,028)	(2,166,893)
Income tax	94,178	32,167
LOSS FOR THE YEAR	(1,916,850)	(2,134,726)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,916,850)	(2,134,726)
Earnings per share expressed in pence per share		
Basic – continuing and total operations	(0.52p)	(0.63p)

Statements of financial position as at 31 December 2022

	2022	2021
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,270,231	1,195,736
Property, plant and equipment	202,204	256,655
	<hr/> 1,472,435	<hr/> 1,452,391
CURRENT ASSETS		
Trade and other receivables	862,549	395,315
Stock	662	895
Current tax assets	94,178	32,167
Short-term investments	4,366,342	4,169,186
Cash and bank balances	5,732,350	8,670,274
	<hr/> 11,056,081	<hr/> 13,267,837
TOTAL ASSETS	<hr/> <hr/> 12,528,516	<hr/> <hr/> 14,720,228
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued share capital	2,941,044	2,940,524
Share premium	34,038,746	34,034,228
Capital contribution reserve	125,000	125,000
Retained earnings	(25,904,774)	(24,156,905)
TOTAL EQUITY	<hr/> 11,200,016	<hr/> 12,942,847
NON-CURRENT LIABILITIES		
Lease and other payables	29,783	131,908
	<hr/> 29,783	<hr/> 131,908
CURRENT LIABILITIES		
Trade and other payables	1,298,717	1,645,473
TOTAL LIABILITIES	<hr/> 1,328,500	<hr/> 1,777,381
TOTAL EQUITY AND LIABILITIES	<hr/> <hr/> 12,528,516	<hr/> <hr/> 14,720,228

Statement of changes in equity for the year ended 31 December 2022

	Issued share capital	Retained earnings	Share premium	Capital contribution reserve	Total equity
	£	£	£	£	£
Balance at 1 January 2021	2,696,433	(22,198,762)	26,516,613	125,000	7,139,284
Changes in equity					
Issue of share capital	244,091	-	7,517,615	-	7,761,706
Share based payment	-	176,583	-	-	176,583
Total comprehensive loss for the year	-	(2,134,726)	-	-	(2,134,726)
Balance at 31 December 2021	2,940,524	(24,156,905)	34,034,228	125,000	12,942,847
Changes in equity					
Issue of share capital	520	-	4,518	-	5,038
Share based payment	-	168,981	-	-	168,981
Total comprehensive loss for the year	-	(1,916,850)	-	-	(1,916,850)
Balance at 31 December 2022	2,941,044	(25,904,774)	34,038,746	125,000	11,200,016

Statement of cash flows for the year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash used in operations	A	(2,194,724)	(901,066)
Interest paid on lease liabilities		(7,692)	(11,979)
Tax received		32,166	25,415
Net cash from operating activities		(2,170,250)	(887,630)
Cash flows from investing activities			
Payments for intangible fixed assets		(470,200)	(443,657)
Payments for property, plant and equipment		(90,226)	(65,288)
Transfer into short-term investments		(197,156)	(2,551,366)
Interest received		82,041	25,393
Net cash from investing activities		(675,541)	(3,034,918)
Cash flows from financing activities			
Share issues (net of expenses)		5,038	7,761,706
Payment of lease liabilities		(97,169)	(96,905)
Net cash from financing activities		(92,131)	7,664,801
(Decrease)/Increase in cash and cash equivalents		(2,937,924)	3,742,253
Cash and cash equivalents at beginning of year		8,670,274	4,928,021
Cash and cash equivalents at end of year		5,732,350	8,670,274

A. **Reconciliation of loss before income tax to cash used in operations**

	2022 £	2021 £
Loss before income tax	(2,011,028)	(2,166,893)
Depreciation	144,677	117,199
Amortisation charges	383,330	337,078
Finance income	(141,414)	(18,382)
Earnings before interest, taxation, depreciation and amortisation	(1,624,435)	(1,730,998)
Adjustment for LTIP	(350,431)	357,712
Adjustment for Employee share option costs	168,981	176,583
Movements in working capital:		
(Increase) in trade and other receivables	(372,821)	(94,400)
(Decrease)/Increase in trade and other payables	(16,018)	390,037
Cash used in operations	(2,194,724)	(901,066)