

Corporate

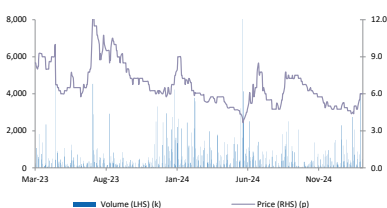
Current price **6.0p**

Sector **TMT**

Code **BIRD.L**

Listing **AIM**

Share Performance



% Change **1m 3m 12m**

BIRD.L +29.7 +4.3 -0.8

Source: Thomson Reuters, Allenby Capital

Share Data

Market Cap (£m) **23.2**

Shares in issue (m) **387.1**

52 weeks (p) **High Low**

8.5 3.6

Financial year end **31 December**

Source: Company Data, Allenby Capital.

Key Shareholders

Stephen Streater 16.2%

Premier Miton Group 14.1%

Ian McDonough & family 7.6%

Chelverton Asset Management 4.1%

Canaccord Genuity AM 3.1%

Source: Company Data, Allenby Capital.

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Blackbird plc (BIRD.L)

Executing on elevate.io strategy

Blackbird's full year results demonstrate a year of significant progress for elevate.io. User numbers increased rapidly, and the payment gateway was successfully launched on February 11th 2025, with its first paid plan, 'Creator', at £15, \$15, €15 per month. This was well within the scheduled Q1 timeframe. Subscriber numbers are now circa 100. Functionality and features continue to develop at pace. Management has been fast to address the challenges to the core Blackbird product from structural and cyclical changes in the Media and Entertainment industry. We are encouraged to see that the division delivered a positive EBITDA of c.£0.5m in FY 2024. Blackbird continues to be at the pinnacle of the Sports and News video creation, used in most major sporting events in 2024, including the global Summer Games. Key customer renewals included FIFA and the global financial news company. Shareholders have a substantial opportunity with elevate.io, using underlying Blackbird technology to disrupt the collaborative video editing market. elevate.io's SAM of \$6.9bn is a huge opportunity to significantly grow revenue, earnings and cash.

- **Reaching multiple verticals within the Creator Economy:** There has been a proliferation of video content and the shift from traditional media produced content to independent creators globally. The creator economy market was valued at \$250bn in 2023, according to Goldman Sachs, with projections to reach \$600bn by 2030 and the Initial Serviceable Addressable Market for elevate.io is estimated at \$6.9bn.

- **FY24 financial highlights:** Revenue decreased 17% to £1.6m (FY23: £1.9m) due to the end of the A+E Networks deal and smaller customer churn. Operating costs pre-capitalisation decreased to £5.4m (FY23: £5.8m), with higher capitalisation costs due to development work on elevate.io, with overall operating costs (pre LTIP) lower at £3.6m (FY23 £4.1m). The structural changes made within the Blackbird division led to a positive Adj. EBITDA pre LTIP and share options of £492k and a net profit of £22k (FY23 loss: £966k). At the group level the Adj. EBITDA loss also decreased to £2.1m (FY23 loss: £2.3m). Cash burn decreased to £3,748k (FY23 £3,786k) despite increased investment in elevate.io.

- **Core team now in place:** Blackbird has changed the skill mix of the board to focus on the Creator Economy, product-led growth and SaaS go to market. Sumit Rai leads product development, Anne de Kerckhove, with a background in technology and digital, became chair in June 2024. Key non-executive additions include Yuri Hazanov, highly experienced in the technology and video space, and Nick Lisher, specialising in marketing to connect consumers to drive growth.

Blackbird has made huge progress with elevate.io, announcing in November 2024 that users reached 40,000, with limited marketing spend, demonstrating the demand and gap in the market for online video creation tools. We look forward to further updates as the payment gateway, launched in February 2025 gains traction and Blackbird opens up its addressable market, accelerating sales growth through elevate.io's self-service model.

Year End: 31 December

(£'000)	2020	2021	2022	2023	2024
REVENUE	1,567	2,066	2,847	1,937	1,608
GROSS MARGIN (%)	89.6	92.5	95.0	93.5	91.3
EBITDA	-1,416	-1,554	-1,624	-2,343	-2,137
NET LOSS BEFORE TAX	-1,906	-2,167	-2,011	-2,602	-2,418
FULLY DILUTED EPS (p)	-0.56	-0.63	-0.52	-0.68	-0.61
CASH AT YEAR END	6,546	12,839	8,177	6,468	3,770
CONTRACTED BUT UNRECOGNISED REV.	1,931	3,732	2,130	1,770	1,831

Source: Company; Allenby Capital. Allenby Capital acts as Nomad & Broker to Blackbird plc (BIRD.L).

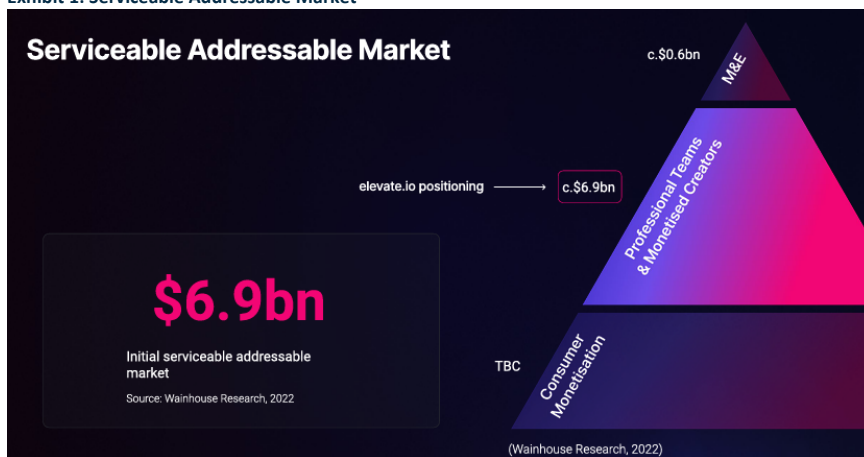
Investment summary

2024 has been a significant year of investment and progress for elevate.io, delivering on management's stated intention to focus on the Creator Economy and SaaS go to market. elevate.io is a unique browser-based offering, addressing both the Creator Economy and corporate video sectors, with the payment gateway successfully released on 11 February 2025, well within the anticipated timeframe.

In this note, we describe the plans for the platform, and explain how the group is successfully promoting, marketing and selling the product in a large and growing Serviceable Addressable Market estimated at \$6.9bn.

The release of the payment gateway is an exciting development, and we look forward to further news in coming months.

Exhibit 1: Serviceable Addressable Market



Source: Company Data, Allenby Capital

Product timeline

- **March 2024** – Product officially launched, rapidly adding features and functionality and continuously enhancing the platform
- **September 2024** - Management embarked upon its first marketing campaigns, yielding valuable insights into customer acquisition and usage.
- **January 2025** - To strengthen marketing efforts ahead of the payment gateway, Nick Lisher joined the elevate.io team.
- **February 2025** - First payment tier, Creator, introduced.

Blackbird has entered calendar year 2025 with strong progress against elevate.io and a world-class core team is now in place to accelerate take up including Sumit Rai, Anne de Kerckhove, Youri Hazanov and Nick Lisher.

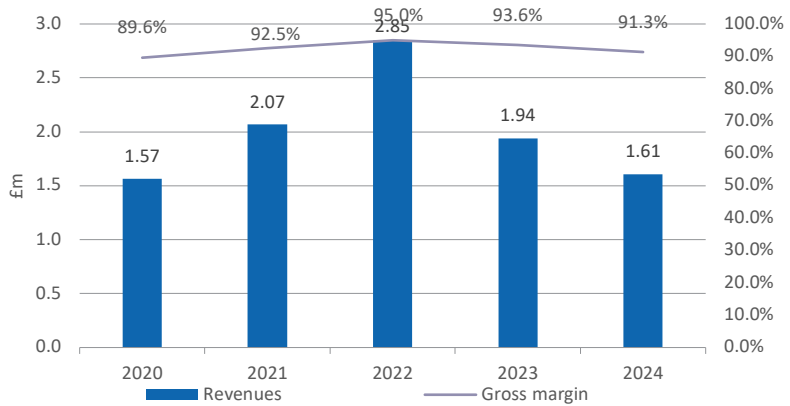
Financial and operational highlights (core Blackbird)

Revenue decreased 17% to £1.61m (FY23: £1.94m), down to the loss of the A+E Networks deal in 2023 and some other smaller client attrition. However, the total order book was £1,831m at 31 Dec 2024, up 3% on the previous year.

The structural changes made within the Blackbird division led to a positive Adjusted EBITDA pre LTIP and share options of £492k and a net profit of £22k (FY23 loss: £966k).

Group operating costs pre capitalisation and LTIP decreased to £5,383k (FY23: £5,744k), due to tight cost control and restructuring in the Blackbird division. Capitalised development costs were higher at £1,696k (FY23: £1,631k), due to increased investment in the elevate.io platform.

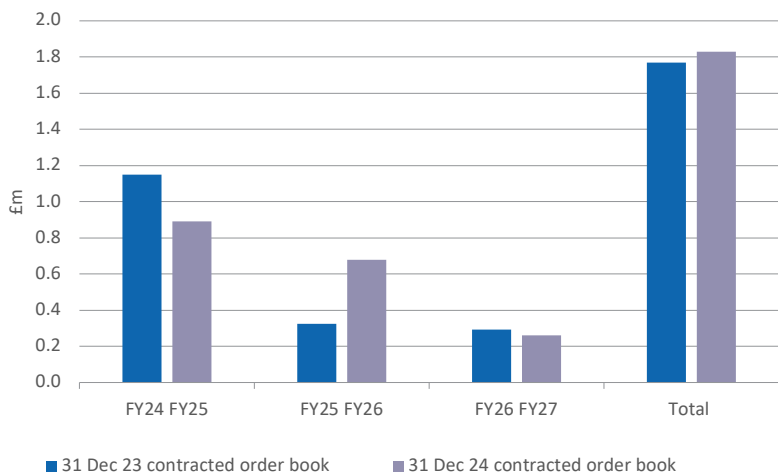
Exhibit 2: Revenue and Gross Margin progression 2020 to 2024



Source: Company Data, Allenby Capital

Cash burn decreased to £3,748k (FY22: £3,786k) prior to share issues, with the improved performance in the Blackbird division offsetting higher costs developing elevate.io. The balance sheet is healthy at the year end with £3,770k of cash (FY23 £6,468k), giving headroom for continued investment as the payment gateway gains traction. Blackbird raised £1.1m (gross) through an issue of new shares at 6.0p per share, in February 2024. The proceeds are being used to increase the investment for growth in elevate.io.

Exhibit 3: Recognition of the year end contracted but unrecognised revenue at 31.12.23 and 31.12.24



Source: Company Data, Allenby Capital

Key commercial activity in the period for the core Blackbird platform:

- used in major global sporting events throughout the year and Blackbird was deployed at the 2024 summer games through an OEM partner
- deal with CBS19, a Charlottesville-based local TV station, for collaborative and scalable video editing and publishing for its broadcast and digital workflow
- a new deal, through an OEM partner, with a South Korean TV station for fast turnaround of sports content to their OTT platform
- extended partnership with a leading global financial news organization for an additional three years
- deal renewal with FIFA for an additional 25 months, and additional deal renewals with US department of state, Arsenal, CBS Sports, Televisa Univision
- Supported US local news stations through partnership with Blox Digital, ensuring fast turnaround for content creation
- Enabled the US Secretary of State's press conferences to be edited and published to social media with speed and efficiency.

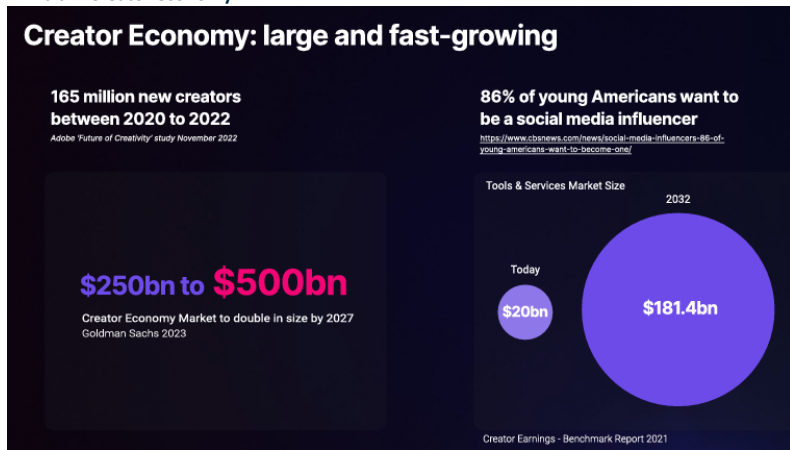
Early to market with elevate.io

Blackbird’s highly scalable and web native video technology is well positioned to become a mass market play for creator and corporate video editing. Markets are global in scope, encompassing long and short-form content creation for internal and external comms.

Independent creators

Over the past five years, there has been a sea change in the use of video content and a shift away from traditional, media produced, content to independent creators. The content is owned by the creator, not a media company and the creator will earn directly from a variety of mechanisms such as sponsorship and advertising. Creators with large followings across social media are considered ‘influencers’ who corporations target to promote products and brands. There are many examples across different sectors and interests. The creator economy market was valued at \$250bn in 2023 according to Goldman Sachs, with projections to reach \$600bn by 2030.

Exhibit 4: Creator economy



Source: Company Data, Allenby Capital

elevate.io addressing current 'pain points' - browser based

- 1) Expensive hardware is usually required for high functionality
- 2) Collaboration is difficult
- 3) Creativity is limited
- 4) Lack of community to support creators

Video quality key

The quality of video content has become paramount. Direct to Consumer brands leverage video to drive sales and consumer engagement. Small businesses use video to engage with prospects and large corporates also leverage video as their main employee engagement tool as well as brand engagement. This growing market offers a significant opportunity for the elevate.io product which offers a faster, simpler and importantly collaborative tool to create and edit video.

Looking at the SaaS model – Canva and Figma show the way

Both Canva and Figma have developed highly successful business models by offering relatively simple products (for image design and slide deck creation respectively) but making these highly collaborative, easy (or free) to start using, and available to the mass market through sleek and modern user interfaces.

Canva allows users to collaborate on image design and has revenue reportedly over \$1bn per annum – Figma is focussed on slide deck collaboration, with sales estimated at over \$400m pa. Both offer modern, attractive interfaces to products that “just work” and deliver customers exactly what they need.

elevate.io could do the same for video editing

The elevate.io product philosophy is all about speed and ease of use. The new product is a single end to end platform that simplifies the process of content creation and delivery, enabling creators to collaborate, edit and publish efficiently. The features within the platform will not put elevate in direct competition with other service providers but will remove the need for them when working in the elevate platform.

As demonstrated by the success of Figma and Canva, the self-service SaaS model offers a free point of entry with frictionless onboarding and transparent pricing. This should attract a much broader customer base than the existing Blackbird offering.

Target customers – Creator economy and Corporate Video

The Creator Economy

- 73% of teens watch YouTube daily, and 53% are active on TikTok;
- More adults in the U.S. consume news from social media than traditional TV or mainstream media;
- Half of Americans aged 18–35 regularly use at least five social media platforms, all heavily reliant on video.

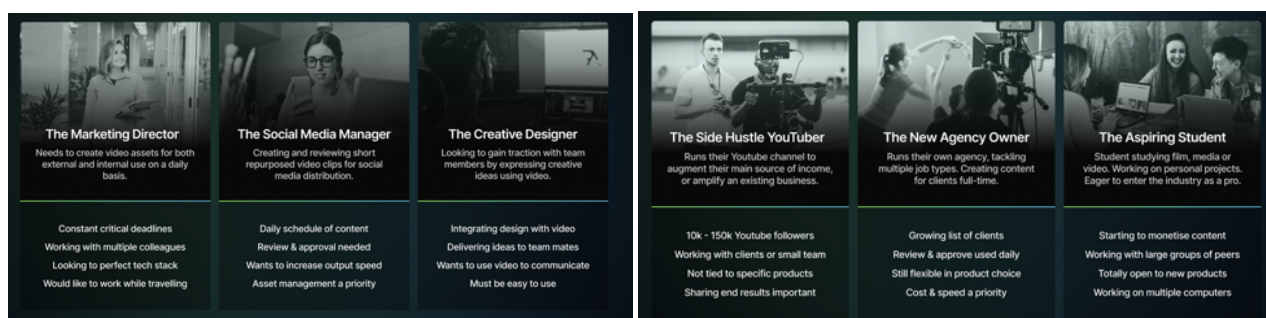
These statistics highlight the ever-growing demand for video content across platforms, underscoring elevate.io's potential to support creators in meeting these needs.

Corporate Video

In the corporate world, video is increasingly recognised as a critical communication tool:

- 93% of internal communicators believe video is essential for engagement (Source: Ragan Communications and NASDAQ OMX Corporate Solutions);
- Employees are 75% more likely to watch a video than read documents or emails (Source: Forrester Research);
- Only 31% of organisations effectively use video for corporate comms from leadership, even though 80% of employees prefer it (Source: Brightcove).

Exhibit 5: example personas



Source: Company

Competition

elevate.io addresses the gap in the market by offering scalable, accessible video creation. Despite the competitive noise in the online video sector, elevate.io has a core competitive advantage with proprietary codec, built on the core Blackbird technology. This enables the seamless editing of videos of any length, directly in a browser, a capability unmatched in the market. The upcoming launch of Blackbird 10 will further enhance quality and performance, underpinning Blackbird’s technological lead.

Key features

- elevate.io is uniquely placed to bring professional video editing to a large audience ranging from YouTubers to corporate communications
- The use of cloud infrastructure means that elevate.io is accessible from a browser with no downloads and no requirements for high end hardware
- users are able to pick up elevate.io without prior editing knowledge
- elevate.io users can collaborate with teammates, like Google docs or Figma
- elevate.io is already a powerful tool to create videos. Blackbird is working at pace to bring more features such as: folders and content management; comments for approval; support for vertical video and broader file formats; improved colour science; and filters
- All of this has been made possible by Blackbird’s proven core patented technology which used in events all around the world

Go to market - following the successful SaaS model

- elevate.io's first payment plan, "Creator", launched on 11 February 2025 at a price of £15, \$15, €15 per month
- There is an early bird offer of a 50% lifetime discount on the Creator payment plan subscription, at a price of £7.5, \$7.5, €7.5, to anyone who subscribes in the first 30 days
- elevate.io is designed to be a 'Pro video editor that anyone can use'
- The Creator payment plan offers 500 gigabytes of high-speed storage, unlimited projects to work on and two seats to collaborate with teammates
- Additional storage and seats can be purchased as add-ons
- The Creator payment plan has been launched whilst elevate.io is feature light, so that the Company can get feedback from paying customers and understand their requirements. Data is key ahead of ramping up marketing activity

The Company started the year with a contracted but unrecognised revenue balance of £1,831k (2023: £1,770k) for the Blackbird division up 3% on prior year. In 2024, the core Blackbird division made a positive EBITDA for the first time and management anticipate that this will continue in 2025.

For elevate.io features and functionality are being added continuously and the Creator payment tier was successfully launched on 11 February 2025, giving access to valuable data and insights.

In terms of numbers management announced that it has achieved a monthly active user number of circa 2,200 for February, of which 100 have been converted to paid subscribers. Both the monthly active users and weekly active user numbers are growing quickly, especially since the launch of vertical video editing. The company intends to increase marketing spend from its current modest levels as further key features and functionality are added to the elevate.io platform.

We reiterate our view that shareholders have a substantial opportunity with elevate.io, using underlying Blackbird technology to disrupt the collaborative video editing market. elevate.io's SAM of \$6.9bn is a huge opportunity to significantly grow revenue, earnings and cash.

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