

## Corporate

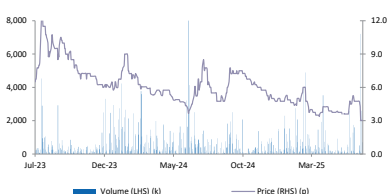
Current price **3.02p**

Sector **TMT**

Code **BIRD.L**

Listing **AIM**

### Share Performance



% Change	1m	3m	12m
<b>BIRD.L</b>	-16.0	-19.3	-42.4

Source: Thomson Reuters, Allenby Capital

### Share Data (pre placing)

Market Cap (£m) **11.7**

Shares in issue (m) **387.1**

52 weeks (p)	High	Low
	8.5	3.0

Financial year end **31 December**

Source: Company Data, Allenby Capital.

### Key Shareholders (pre placing)

Stephen Streater	16.2%
Premier Miton Group	14.9%
Ian McDonough & family	7.6%
Chelverton Asset Management	4.1%
Canaccord Genuity AM	3.1%

Source: Company Data, Allenby Capital.

Gareth Evans/Tessa Starmer

0203 394 2977

d.johnson@allenbycapital.com

www.allenbycapital.com

## Blackbird plc (BIRD.L)

### Developing fast with encouraging early statistics

Blackbird has conditionally raised £2.1m gross proceeds through a Placing, Subscription and Retail Offer at 3.0p per share, a 29.4% discount to the closing price on 2 July. The net proceeds are intended support further growth and strategic investment in elevate.io. The product is working well and developing at pace with user numbers growing rapidly and an increased conversion rate to paid users, on limited marketing spend. 54% of website visitors convert to users and the CAC has fallen 55% since the payment launch in February 2025. elevate.io offers a scalable, cloud-based and collaborative content creation platform across a range of end users in the Creator Economy and Corporate sector, a major global addressable market, estimated to be around £6.9bn. We are not publishing forecasts but will revisit when we have clear visibility of a growth runway. Even modest success relative to the scale of the target markets would generate significant revenue and drive material shareholder value. We look forward to further updates as elevate.io continues to gain commercial traction.

- Product working well and developing fast:** elevate.io is well placed to emulate the success of Canva and Figma in adjacent markets in the video creation market. Since the launch of the payment gateway there is good product velocity, with features and functionality added at pace. The creator economy market was valued at \$250bn in 2023 (Goldman Sachs) and forecast to reach \$600bn by 2030 and together with the Corporate market the Initial Serviceable Addressable Market for elevate.io is estimated at \$6.9bn. Even a modest share of this market would be transformational in terms of revenue.
- Early statistics are encouraging:** Performance metrics since the start of the year are on an upward trajectory with 54% of website traffic converted to signups, with a growing conversion rate to paid users of circa 1.9%. The CAC reduced by 55%, with product led growth driving marketing efficiency. As at the end of May 2025, the paid user figure was 325, which after such a short space of time and modest marketing spend, suggests that the elevate.io proposition has a good chance of material success.
- Limited marketing spend yields results:** We expect the next year to be transformational in terms of positioning elevate.io to accelerate sales growth, as the product gains commercial traction. We have modelled metrics that might accompany successful subscriber growth (e.g. CAC and ARPU). As long as LTV comfortably exceeds CAC, then a SaaS product merits further investment and marketing. Our assumptions show the LTV based on a one-year subscription exceeds the current CAC, which is very encouraging.

Blackbird has made huge progress with elevate.io, with limited marketing spend, demonstrating the demand and gap in the market for the product. We reiterate our view that shareholders have a substantial opportunity with elevate.io, using the underlying Blackbird technology to disrupt the video editing market. elevate.io's SAM of \$6.9bn is a huge opportunity to significantly grow revenue, earnings and cash.

### 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 revenue	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).

Please refer to the last page of this communication for all required disclosures and risk warnings.

## Investment summary

This document takes an in depth look at elevate.io, its position in the market, recent product metrics, and the go-to-market offering. Second, we look at the growth journey of success stories in adjacent markets, such as Canva and Figma. Finally, we look at the revenue potential relative to paid users and marketing spend for elevate.io.

### Core Blackbird – a refresher

The Blackbird platform is a cloud-native video editor, that allows users in multiple locations to perform high-level video manipulation and traditional professional editing functions and publishing. The business has, over the course of many years, successfully sold this platform into the Media & Entertainment sector, with a number of marquee customers and enterprises. The core business is profitable and cashflow positive with high-profile blue-chip clients, such as US Department of State, FIFA and Blox Digital.

### elevate.io

elevate.io, built on the backbone of Blackbird’s core technology, went on general release in March 2024. The ambition was to deliver desktop grade editing power in the cloud, with collaboration and convenience capabilities that desktop editors are unable to match. Features and functionality have been added at pace with continuous updates to the product. In September 2024, the first marketing campaigns began. On 11 February 2025 the first payment tier, Creator, was introduced. Using a singular targeted paid ads approach with a modest budget, focussed on online video editor early adopters in the US. The CAC has reduced by 55% in May 2025 compared to February 2025, with a data-led approach driving marketing efficiency. Performance metrics are positive and improving, with 54% of website traffic converted to signups and a conversion rate to paid users of c. 1.9%.

Other similar requirements (slide deck production and image design) have been met by upstart organisations (such as Figma and Canva) that have built highly successful businesses from scratch and disrupted existing products in their sectors. elevate.io is well placed to deliver a similar result in video creation, given its technological lead, and its rapid and positive trajectory in the product market fit phase as it heads towards scale up.

### Financial opportunity attaching to success

Modelling any SaaS-based product launch, with a target market of hundreds of thousands of businesses and millions of people globally, is extremely difficult. We therefore offer the reader some metrics that allow an overview of “what success could look like” in terms of customer acquisition cost (CAC), average revenue per user (ARPU) and some analysis of customer value. Clearly, risks abound, but it is equally obvious that any material degree of success in such a large and growing market would dwarf the current performance of the business and would be likely to drive material shareholder value.

### £2.1m fundraise

Blackbird is has raised £2.1m gross to continue its SaaS progression. The fundraise will allow Blackbird to comfortably invest further in elevate.io and expand its marketing initiatives.

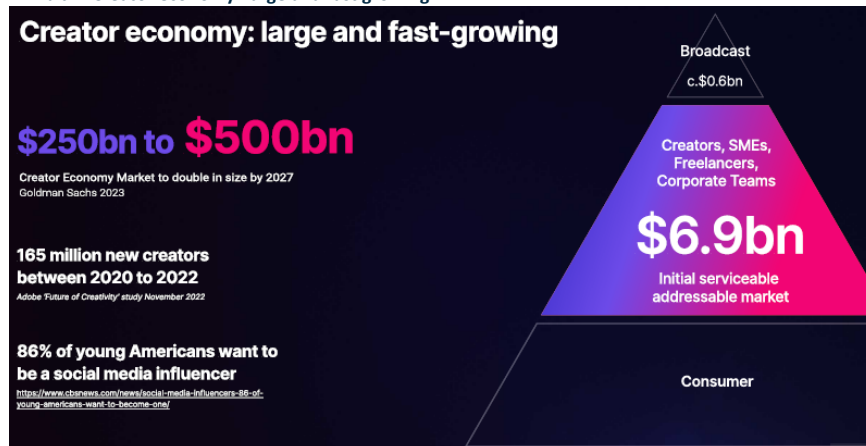
- £1m – continuous product development
- £1m – accelerate go to market

## Vast addressable market

### Reaching multiple verticals within the Creator Economy:

elevate.io is addressing a fast-growing market via a self-service cloud-based offering. There has been a proliferation of video content and the shift from traditional media produced content to independent creators. The creator economy market was valued at \$250bn in 2023 by Goldman Sachs, with projections to reach \$600bn by 2030 and together with the Corporate market the Initial Serviceable Addressable Market for elevate.io is estimated at \$6.9bn.

Exhibit 1: Creator economy: large and fast growing



Source: Company Data, Allenby Capital, Wainhouse Research, 2022

### Product timeline

- **March 2024** – elevate.io officially launched, rapidly adding features and functionality and continuously enhancing the platform
- **September 2024** – Management embarked upon its first marketing campaigns, yielding insights into customer acquisition and usage
- **February 2025** – First payment tier, Creator, introduced
- **May 2025** – Improving metrics. 54% website conversion, 55% reduction in CAC compared to February 2025 and accelerated paid user growth with a conversion rate of c. 1.9%.

### elevate.io is addressing current 'pain points' – through being browser based

- Expensive hardware is usually required for high functionality
- Collaboration is difficult
- Creativity is limited
- Lack of community to support creators

## Key features

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 its 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.

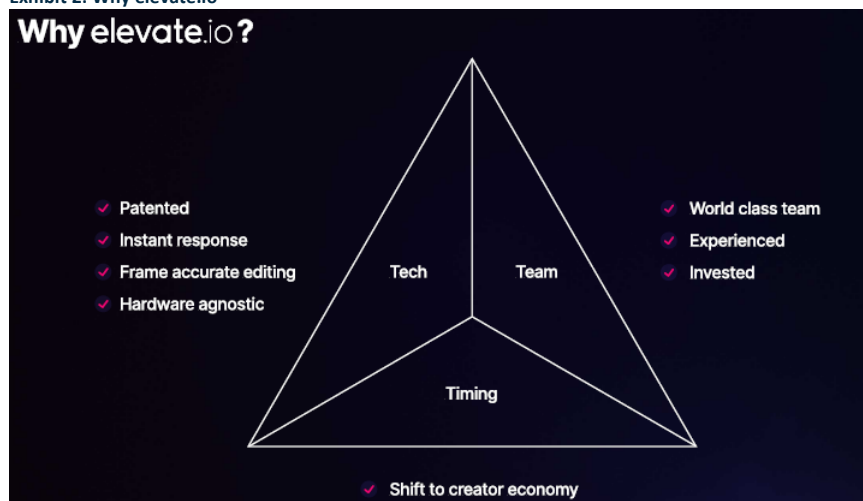
- elevate.io is uniquely placed to bring professional video editing to a large audience ranging from YouTubers to corporate communications
- The use of cloud infrastructure means that elevate.io is accessible from a browser with no downloads and no requirements for high end hardware
- users can pick up elevate.io without prior editing knowledge
- elevate.io users are able to collaborate with teammates, similar to Google docs or Figma
- elevate.io is already a powerful tool to create videos, with the team working at pace to bring more features and functionality

**All of this has been made possible by Blackbird's proven core patented technology that is used in events all around the world.**

### elevate.io's moat – what makes the platform special

The usability of the platform is paramount. This pertains to responsiveness, video quality, frame accurate editing and smooth playback. The combination of these capabilities is unique to elevate.io and underpinned by the patented technology at Blackbird Plc's core.

Exhibit 2: Why elevate.io



Source: Company Data, Allenby Capital

### Shift to Video as a Core Communication Tool

Direct to Customer 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.

### Rapid product evolution

elevate.io has rapidly progressed through SaaS phases and showing that there is demand for the product. elevate.io is now in the product market fit phase. However, much of the market opportunity and product development still lies ahead of the scale up phase. achieving product market fit and product led growth could add customers at pace, with opportunities for significant revenue growth and traction.

Exhibit 3: Go to Market Strategy



Source: Company Data, Allenby Capital

### 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
- 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. Additional storage and seats can be purchased as add-ons
- The Creator payment plan was launched with elevate.io being feature light. Adding product features and functionality, together with a data driven approach for efficiency is key ahead of ramping up marketing

Exhibit 4: Existing video editing landscape

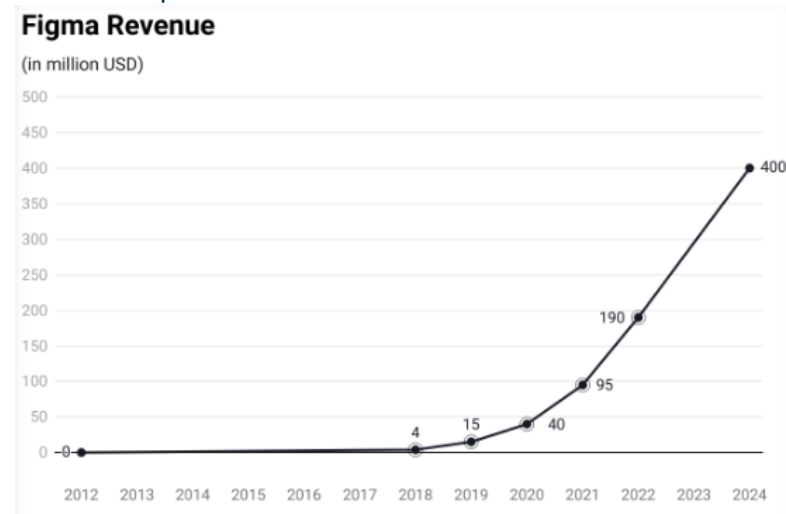


Source: Company Data, Allenby Capital

### The Figma and Canva comparison

Both Canva and Figma have developed successful business models by offering relatively simple products but making these highly collaborative, easy (or free) to start using, and available to the mass market through modern user interfaces. Canva enables users to collaborate on image design and has revenue reportedly more than \$1bn per annum – Figma is focussed on slide deck collaboration with sales estimated at \$400m pa. Both offer attractive interfaces that deliver customers exactly what they need. elevate.io could do the same for video editing.

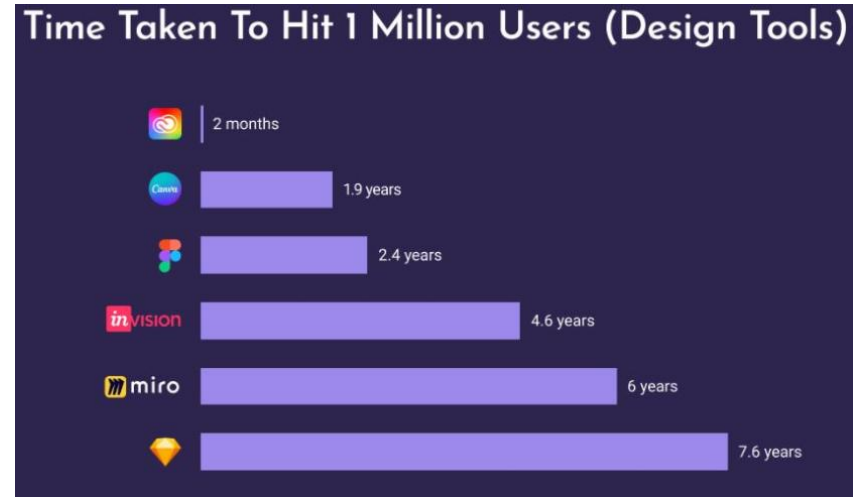
Exhibit 5: Revenue profile



Source: Company Data, Allenby Capital, electroiq

It is worth taking a step back and looking at the ‘product market fit’ phase for Figma and Canva and the progression to scale up. The below exhibit shows the time taken to hit one million users for some other SaaS based design tools. Figma took two years to reach one million users and Canva 1.9 years. Interestingly Miro, the online brainstorming tool, took six years to reach that number.

Exhibit 6: One million users

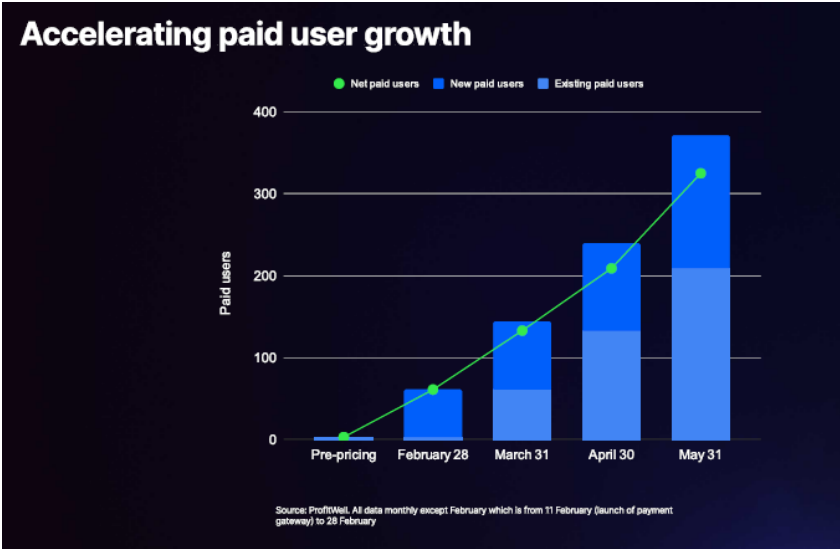


Source: Company Data, Allenby Capital, auditshq

Accelerating paid user growth

Paid users are growing exponentially. It should be noted that current paid users are being acquired with limited marketing spend. As at the end of May 2025, the paid user figure was 325 net paid users. The profile below shows how the monthly paid users are growing rapidly, even ahead of the launch of significant key features.

Exhibit 7: Paid user growth

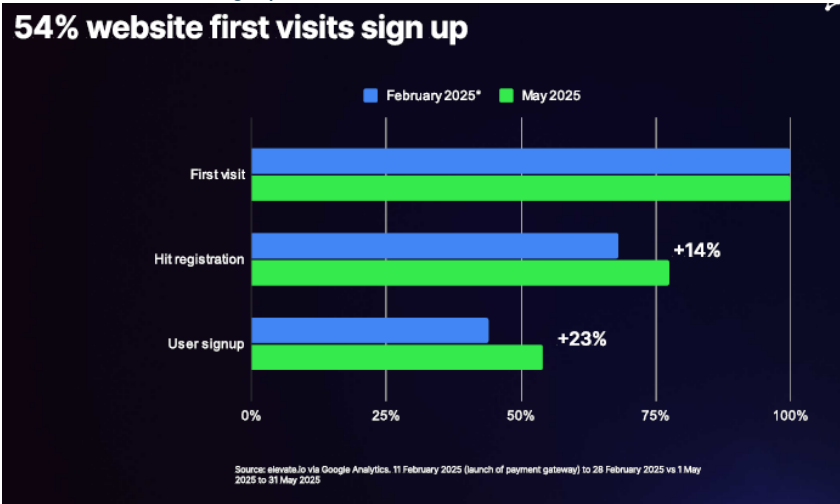


Source: Company Data, Allenby Capital

Encouraging metrics – more than half of website first visits sign up

The conversion rate of first website visits to actual sign up for elevate.io is growing. This highlights a genuine interest in the product.

Exhibit 9: Website first visit sign ups

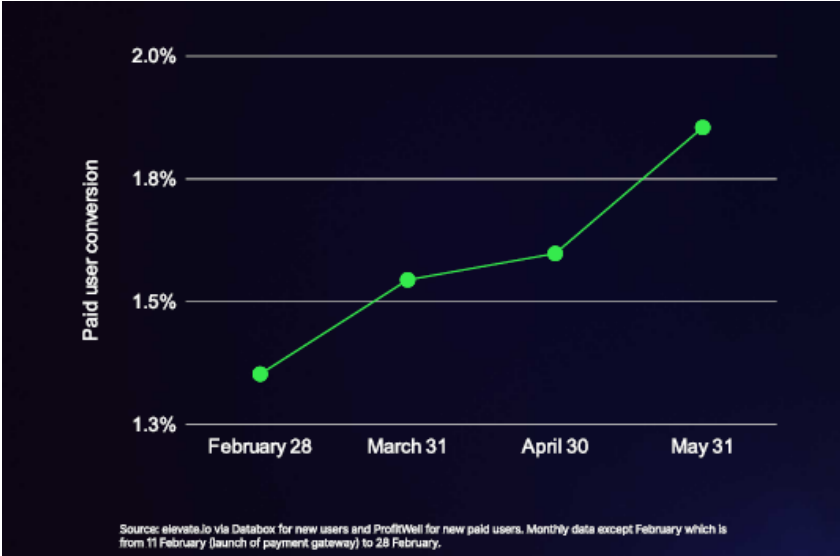


Source: Company Data, Allenby Capital

Conversion to paid users is growing

Even more encouraging is that the paid user conversion rate is growing. At launch it was estimated to be circa 1.4% and is now at c. 1.9%.

Exhibit 10: Paid user conversion

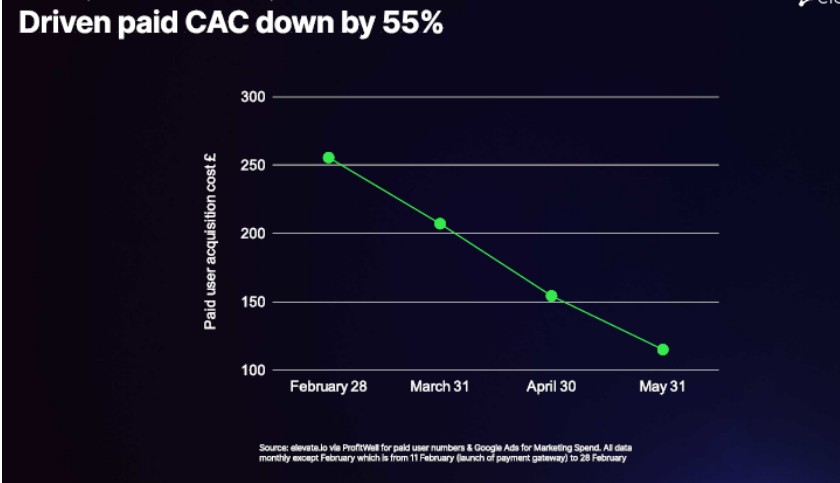


Source: Company Data, Allenby Capital

Paid CAC falling

CAC has reduced 55% since launch at circa £115 per paid user. With potential revenues of at least £12 per customer per month, even an average customer lifetime of one year (£144) would cover the cost of acquisition. Clearly the business would look to improve on both metrics - lower CAC and higher lifetime value - but the fact that the two figures are already close, after such a short space of time and with such a modest marketing spend, suggests that elevate.io has a good chance of material success.

Exhibit 11: Paid CAC declining



Source: Company Data, Allenby Capital



Modelling success – metrics of a SaaS model

Modelling any SaaS business with potential for viral and organic growth is notoriously difficult. In the table below, we have given some metrics that might accompany a successful product launch – with examples of customer acquisition cost and ARPU. As long as LTV comfortably exceeds CAC, then a SaaS product merits further investment and marketing. Clearly these values, and the likely levels of customer uptake for given marketing spends, are extremely difficult to predict.

What does £1m revenue look like

We have reverse engineered the number of paid users to get to £1m of revenue. This uses the current monthly revenue per user cost at £12 and the current customer acquisition cost at £115. With these assumptions, the number of users to hit £1m revenue is c. 7,000 with a marketing spend of c. £800k. This doesn’t account for organic or viral customer acquisition or take into account add on revenue such as additional storage or seats.

Exhibit 12: Users required to get to £1m revenue

SaaS revenue model to hit £1m			
<b>Example assumptions</b>			
Customer Acquisition Cost (CAC)	£115	Annual duration (months)	12
Revenue Per User (per month)	£12	Annual revenue per user	£144
<b>Marketing spend required:</b>			
Paid users acquired (number)	6,944	Revenue (at assumed ARPU and duration)	£1,000,000

Source: Company Data, Allenby Capital

Driving efficiency in free user acquisition

Free user acquisition is being achieved with very limited marketing spend. Around 9k free users were acquired in May with marketing spend below £20k. Given the conversion rate is increasing, we see good potential to start significantly growing the paid users.

Exhibit 13: Free user acquisition



Source: Company Data, Allenby Capital

### Still in product market fit phase

It is worth noting again that elevate.io is not yet in the scale up phase and will require further capital to achieve this. The table below shows the Figma fund raise journey. At this point in time for elevate.io it is critical that it has the funds necessary to grow paid users and to be able to invest to scale up and protect its position.

**Exhibit 14: Figma fund raise journey**

Year	Funding Round	Details
2024	Series F	Figma raised \$415.7M at a \$12.5B valuation in May, 2024
2021	Series E	Figma raised \$200M at a \$9B valuation in June, 2021
2020	Series D	Figma raised \$50M at a \$1B valuation in April, 2020
2019	Series C	Figma raised \$40M at a \$400M valuation in February, 2019
2018	Series B	Figma raised \$25M at a \$90M valuation in February, 2018
2015	Series A	Figma raised \$14M at a \$34M valuation in December, 2015
2013	Seed Round	Figma raised \$3.9M at a \$10M valuation in June, 2013

Source: Company Data, Allenby Capital

## Conclusion

Even very modest success relative to the undeniable scale of the new target markets would generate very significant revenue relative to Blackbird's current size, and the business has the advantage of a good level of existing revenue, that helps to support the investment required.

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.**

## Disclaimer

Allenby Capital Limited ("Allenby") is incorporated in England no. 6706681; is authorised and regulated by the Financial Conduct Authority ("FCA") (FRN: 489795) and is a member of the London Stock Exchange. This communication is for information only it should not be regarded as an offer or solicitation to buy the securities or other instruments mentioned in it. It is a marketing communication and non-independent research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The cost of Allenby research product on independent companies is paid for by research clients. The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

This communication is for the use of intended recipients only and only for distribution to investment professionals as that term is defined in article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Its contents are not directed at, may not be suitable for and should not be relied upon by anyone who is not an investment professional including retail clients. Any such persons should seek professional advice before investing. For the purposes of this communication Allenby is not acting for you, will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock. This communication or any part of it do not form the basis of and should not be relied upon in connection with any contract.

Allenby uses reasonable efforts to obtain information from sources which it believes to be reliable. The communication has been prepared without any substantive analysis undertaken into the companies concerned or their securities, and it has not been independently verified. No representation or warranty, express or implied is made, or responsibility of any kind accepted by Allenby its directors or employees as to the accuracy or completeness of any information in this communication. Opinions expressed are our current opinions as of the date appearing on this material only and are subject to change without notice. There is no regular update series for research issued by Allenby.

No recommendation is being made to you; the securities referred to may not be suitable for you and this communication should not be relied upon in substitution for the exercise of independent judgement. Neither past performance or forecasts are a reliable indication of future performance and investors may realise losses on any investment. Allenby shall not be liable for any direct or indirect damages including lost profits arising from the information contained in this communication. Allenby is acting only for the subject of this research and is not acting for you. Allenby will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock.

Allenby and any company or persons connected with it, including its officers, directors and employees may have a position or holding in any investment mentioned in this document or a related investment and may from time to time dispose of any such security or instrument. Allenby may have been a manager in the underwriting or placement of securities in this communication within the last 12 months, have received compensation for investment services from such companies within the last 12 months, or expect to receive or may intend to seek compensation for investment services from such companies within the next 3 months. Accordingly, recipients should not rely on this communication as being impartial and information may be known to Allenby or persons connected with it which is not reflected in this communication. Allenby has a policy in relation to management of conflicts of interest which is available upon request.

This communication is supplied to you solely for your information and may not be reproduced or redistributed to any other person or published in whole or part for any purpose. It is not intended for distribution or use outside the European Economic Area except in circumstances mentioned below in relation to the United States. This communication is not directed to you if Allenby is prohibited or restricted by any legislation or registration in any jurisdiction from making it available to you and persons into whose possession this communication comes should inform themselves and observe any such restrictions.

Allenby may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Allenby does not accept liability. By accepting this communication, you agree that you have read the above disclaimer and to be bound by the foregoing limitations and restrictions.

Gareth Evans and Tessa Starmer are the authors of this research report and are employed by Progressive Research Ltd as Equity Analysts. Unless otherwise stated the share prices used in this publication are taken at the close of business for the day prior to the date of publication. Information on research methodologies, definitions of research recommendations, and disclosure in relation to interests or conflicts of interests can be found at [www.allenbycapital.com](http://www.allenbycapital.com). Allenby Capital acts as Nomad and broker to Blackbird plc.