



Please find below our weekly update covering themes that we feel that are of interest to investors and participants in the small and mid-cap TMT sector as well as commentary on recent newsflow. The cost of Allenby Capital's research on individual clients is paid for by our research clients.

For the purpose of MIFID II, the content of the following email qualifies as “non-substantive material or services consisting of short-term market commentary on the latest economic statistics or company results” and so can be treated as ‘acceptable minor non-monetary benefits’ and not as ‘chargeable research’ per the European Commission’s Delegated Directive of 7.4.2016.

Allenby Capital TMT Update - 07.12.20 - MIRA.L, TERN.L

Mirada plc* (MIRA.L, 80p/£7.1m)

Interims: Super-aggregator opportunity (03.12.20)

[Note published](#)

Allenby Capital comment: Mirada, the leading provider of integrated software for digital TV operators and broadcasters, saw H1 revenue from core operations decrease 4.5% to \$5.5m as COVID-19 delayed some deployments and investment decisions. Reduced operating costs meant EBITDA more than doubled to \$0.6m, however. The izzi Telecom roll out continues but this has been supplemented by the commercial launches at ATNi and Zapi (PMO). The launch of Mirada’s Android TV Operator Tier with custom launcher, integrated with premium content providers including Netflix and Disney+, represents an important step forward and the deployment at izzi an important reference. In order to address the threat of cord-cutting and the need to remain relevant, Pay TV operators need to transition into becoming super-aggregators, combining internal and third-party services into a seamless experience. Mirada has a proven product to capitalise on the opportunity. Forecasts reintroduced and we set a new fair value of 160p/share.

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

Tern plc* (TERN.L, 7.45p/£22.4m)

FundamentalVR contract wins (01.12.20 & 02.12.20)

- **FundamentalVR (26.9% holding):** Three-year contract worth £0.9m with a new client (01.12.20), a global medical device company, to accelerate the adoption and subsequent safe and compliant use of the client's product. The contract is for the creation of a VR simulation that will be loaded onto a headset to accompany every installation of the client's product in order to teach and provide assistance to the end user as they rehearse, practice and test themselves within a safe, controllable space that is as close to real-life as possible.
- Follow-on contract worth £0.4m (02.12.20) with one of the world's leading pharmaceutical companies to support training and adoption of its Ocular Gene Therapy product. The contract covers ongoing repeat licences and support to continue the global rollout of the customer's VR training solution.

Allenby Capital comment: Further encouraging contract news flow following last week's follow on order at one of Tern's key portfolio companies. As previously discussed, Fundamental is working with a variety of pharmaceutical and medical device companies to implement its immersive, data driven medical educational simulations. The use of the platform

enables training and practising in a virtual, remote setting rather than the traditional face-to-face method and there is scope for repeat and follow on orders as customers request training modules for other products in their portfolios.

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

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The changes initiated by MiFID II has had far reaching implications on both the quantity and continued availability of research on smaller cap companies, including those within the TMT sector. We would therefore remind interested companies that Allenby Capital can offer a "paid for" research service for those corporates that wish to retain an alternative and authoritative source of research that can be accessed freely by the entire investment community. If you would like further information on this service please contact d.johnson@allenbycapital.com.

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David Johnson is the author of this research recommendation. David Johnson is employed by Allenby Capital Limited as an Equity Analyst.

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