



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.

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Allenby Capital TMT Update - 10.05.21 - TERN.L, CPX.L, MIRA.L

Tern plc* (TERN.L, 14.9p/£49m)

Portfolio update: Good commercial progress on multiple fronts (04.05.21)

- **Device Authority** launched KeyScaler for Azure Sphere in the Microsoft Azure Marketplace. The company continues to see increased demand for its security and management integrations with Microsoft Azure. DA is also part of the IoT technical working group supporting the new FIDO Device Onboard (FDO) protocol, a new open IoT standard that is designed to enable devices to simply and securely onboard to cloud and on premise management platforms. KeyScaler will support FDO. Appointed a VP Sales and Business Development in February and a VP Strategic Alliances for North America in April.
- **Talking Medicines** released its PatientMetRx platform in February 2021 to provide a systematic way of measuring the patient experience of medicines for the pharmaceutical industry and has secured its first customer.
- **Wyld Networks**, through its Wyld Connect Satellite IoT solution for communications via constellations of low earth orbit satellites, has secured additional routes to market through the Fujitsu ecosystem platform globally and with Wezen Group in Latin America. Wyld also continues to trial and promote its Wyld Proximity and Safe Access Management solution for care homes.
- **InVMA** is also increasing routes to market and recently expanded its relationship with a global supplier to the industrial and construction sectors from the UK to France and Belgium. Further European expansion is anticipated for later this year.
- **FundamentalVR** has had a further roll out with a key pharmaceutical client, evidence of the company's success in its land and expand strategy.
- The company held an investor webinar on 4 May and featured presentations from Wyld Networks, InVMA and Talking Medicines plus Q&A. A recording is available [here](#).

Allenby Capital comment: Tern's portfolio of IoT companies continue to make good commercial progress in securing both customers and routes to market as the global adoption of IoT solutions increases across multiple industries.

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

CAP-XX Ltd* (CPX.L, 8.7p/£38.5m)

Contract win: Windscreen damage detection application (04.05.21)

- CAP-XX's HS208F supercapacitor has been selected by Jack, the developer of the first windscreen damage detection solution and part of AGC Group, a leading global supplier of flat, automotive and display glass, chemicals and other high-tech materials and components.
- The supercapacitor is being used in conjunction with an onboard 4-cell solar panel and small 1.2Ah Li-SOC12 backup battery. The supercapacitor, with its low ESR, enables the high burst of power needed for the device's Bluetooth Low Energy data transmissions.
- The Jack windshield-mounted device uses piezoelectric sensors to detect windscreen impacts, analyses the severity and location data from each impact and using proprietary cloud-based machine learning algorithms and then notifies the vehicle owner or insurer in real-time to enable proactive repair maintenance when required. With timely repairs, the goal is to mitigate glass maintenance costs by 50%.
- No change to [forecasts](#).

Allenby Capital comment: Another interesting IoT application of CAP-XX prismatic supercapacitor that takes advantage of a supercapacitor's ability to deliver bursts of high power for data communications and the thin form factor specific to CAP-XX for design flexibility - the IoT device is only 134mm x 22mm x 28mm.

** Allenby Capital acts as Nomad and Joint Broker to CAP-XX Ltd.*

Mirada plc* (MIRA.L, 82.5p/£7.3m)

FY pre-close: In line and growth in H2 (05.05.21)

- FY (March) performance expected to be in line with forecasts (ACLe revenue \$11.5m, adj. EBITDA \$1.3m, adj. LBT \$3.3m). Overall, this suggests revenue fell 12.4% for the year as customers slowed deployments/investment decisions due to COVID-19 but there was growth in H2 over H1 as customers recommenced investment plans, driven by demand for OTT platforms and online content.
- Demand for Mirada's new Android TV solution, launched last September, was greater than internally forecast with more than 450k Android TV hybrid set-top boxes (STBs) deployed at izzi and its other customers. This has considerable growth potential as Mirada has a proven product (largest deployment in Latin America), integrations with many of the major content providers (including Amazon Prime, Disney+, HBO and Netflix) and strong functionality. This makes it simpler for potential customers to deploy.
- Well positioned to capitalise on the trend towards super-aggregation, where TV operators aggregate content from numerous subscriptions on a single, easy to use platform.
- Strong pipeline of sales opportunities with a wide geographic spread – Asia offering considerable opportunities following Mirada's investment in the region. Latin America and the Caribbean, North America and Eastern Europe also highlighted.
- No change to [forecasts](#) and 160p/share fair value.

Allenby Capital comment: FY20 impacted by COVID-19 as although content consumption increased substantially, Mirada's customers and potential customers slowed deployments and investment decisions. The growth in H2 is encouraging and we anticipate growth to accelerate in FY22. Much of this growth will come from Mirada's new Android TV Operator Tier with custom launcher. Android TV is rapidly gaining market share and provides operators with a number of functional advantages and Mirada's custom launcher enables operators to retain control of the user experience. Mirada has also integrated with many of the major content providers and hence Pay TV operators can take on the role of super aggregator, combining multiple internal and external services and offering these to subscribers from a single platform.

** Allenby Capital acts as Nomad and Broker to Mirada 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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