



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 - 04.05.20 (GFIN.L, MIRA.L, BBSN.L, MWE.L)

Gfinity plc* (GFIN.L, 1.65p/£11.6m)

Additional events: second instalment of the ePremier League invitational (04.05.20)

- Gfinity has been appointed to operate a second instalment of the ePremier League invitational tournament with a new group of Premier League footballers and special guests. The draw will be revealed at 0900 today with matches streamed live four times per day from 3pm on Tuesday, with the semi-final and final on Saturday 9th May.
- All the events will be available on the Sky Sports YouTube and Twitch channels, BBC Sport website and iPlayer, and the Premier League digital channels. Finals Day will also be shown on Sky Sports Premier League and the Main Event as well as the Premier League's international broadcast partners.
- Separately, Gfinity hosted the third round of the F1 Esports Virtual Grand Prix series on the Interlagos Circuit used for the Brazilian Grand Prix (03/05/20). The event included a number of current F1 drivers as well as cricketers Ben Stokes and Stuart Broad, AC Milan captain Alessio Romagnoli and Norwegian rally champion Petter Solberg. The race was shown on Sky as well as the official Formula 1 YouTube, Twitch and Facebook channels, plus F1.com. Alex Albon won for Red Bull.
- Forecasts are currently under review.

Allenby Capital comment: With the ongoing suspension of live physical sporting events, media companies, sports rights holders and brands are accelerating their investment in esports events. Gfinity sits in the centre of the gaming ecosystem and provides esports expertise to games publishers, sports rights holders, commercial partners and media companies. Gfinity has also been rapidly growing its community of esports followers on its own platforms - Realsport101.com, Gfinitysports.com and the recently launched StealthOptional.com - that represent a large and attractive young demographic that brands struggle to reach.

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

Mirada plc* (MIRA.L, 95p/£8.5m)

Pre-close: Ongoing successful diversification (29.04.20)

[Note published](#)

Allenby Capital comment: The FY20 pre-close points to further revenue growth and a significant improvement in adj. EBITDA for the leading provider of integrated software for Digital TV operators and broadcasters,

albeit slightly light of our forecasts as some work slipped into FY21. Revenue is expected to be >\$13.0m (FY19: \$12.3m, AClE: \$14.2m) and adj. EBITDA of \$2.3m (FY19: \$0.8m; AClE: \$2.6m). Revenue from izzi Telecom, Mirada's largest customer, remained stable and it has now deployed on more than 2.8m set top boxes (STBs). izzi has also selected Mirada for its new generation service. Encouragingly, revenue beyond izzi continues to grow as Mirada works on projects in multiple territories and negotiations with potential customers are also ongoing. Mirada has successfully transitioned to remote working and is helping its clients cope with an exceptional increase in service demand. That said, it is impossible to predict the impact of COVID-19 and hence we are temporarily withdrawing FY21 forecasts.

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

Brave Bison plc* (BBSN.L, 1.25p/£7.7m)

Acquisition: The Hook channel significantly expands footprint (30.04.20)

- Acquisition of certain assets of The Hook Group, an award-winning social marketing and media business. These include The Hook channel and related IP, including a number of websites and media channels on Instagram, Facebook and TikTok.
- The total consideration was £0.15m payable immediately in cash and the acquisition is expected to be earnings' accretive in the current financial year. The acquisition was part of the pre-pack administration of The Hook Group.
- The Hook, an entertainment and comedy channel, has more than 14m followers across social media and works with a range of global clients including Samsung, Universal, Apple Music and Boohoo.com.
- Separately (04/05/20), BBSN published information on the daily KPIs since its new Facebook publishing strategy was rolled out in October. There has been a sharp increase in consumption with the number of ≥3 second views for videos +272% and >1 minute views +351%; the total minutes viewed daily increased by 283%; the number of new followers gained each day +1,231% and engagement (viewers reacting, commenting, sharing etc) +136%.
- The growth in KPIs can be attributed to the full strategy evaluation and refresh, investment in original content, the creation of a production unit working from development to delivery, and deeper data partnerships and usage. As part of this, BBSN has reduced the number of key channels from 20 to six. Ben Sinden was appointed MD of Publishing in August 2019 as part of the restructuring of its wider Publishing team.
- Forecasts currently under review.

Allenby Capital comment: The asset purchase significantly expands Brave Bison's footprint across next-generation platforms such as TikTok and Instagram for a nominal outlay and complements its existing audience on YouTube, Facebook and Snapchat. This should help to drive stronger results for BBSN's brand, creator and platform partners. The company is open to the acquisition of further strategic assets given its healthy balance sheet and global presence. Meanwhile the growth in KPIs following October's strategy reset is encouraging with a sharp increase in consumption around the six key channels and multiple social media platforms.

** Allenby Capital acts as Nomad and Broker to Brave Bison plc.*

MTI Wireless Edge Ltd* (MWE.L 38p/£33.4m)

Contract wins: Orders in China (27.04.20)

- MTI's Mottech Water Solutions subsidiary has secured an order totalling >\$300k for a municipal landscape irrigation project in East China. Combined with other smaller orders, total orders of nearly \$0.5m were received in China in April.
- China has been a core market for Mottech and it opened a local subsidiary there in 2017. China has become Mottech's fastest growing market and management expects this to continue to be the case.
- No change to current [forecasts](#).

Allenby Capital comment: Encouraging signs that China is reopening for business as COVID-19 related restrictions start to be removed. MTI continues to benefit from its diversified portfolio with demand for its products and services across multiple geographies and sectors. It is positioned to capitalise on three global trends: the adoption of 5G networks; climate change concerns driving water management; and increased defence spending. Forecasts and 46p/share fair value, equivalent to a 13x FY21 PER, remain unchanged.

** Allenby Capital acts as Nomad and Broker to MTI Wireless Edge Ltd.*

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Allenby Capital "paid for" research services

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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