

21 November 2022



## CORA GOLD (CORA): CORP

### [Definitive Feasibility Study and Optimised Economics released](#)

Cora Gold offers exposure to a significant gold exploration and development business with a lead project at Sanankoro in south western Mali. The company has now released the results of the Definitive Feasibility Study (DFS) for Sanankoro and at the same time has also released an optimised update with improved project economics. The net result is an unrisks NPV for the project of US\$95.1m – this is a significant multiple of the company's current market capitalisation.

## ENGAGE XR HOLDINGS (EXR): CORP

### [Reseller agreement with Lenovo to scale the ENGAGE platform](#)

Following Lenovo being announced as a launch partner of ENGAGE Link on 28 September, ENGAGE XR and Lenovo have signed a commercial reseller agreement. The agreement enables Lenovo to resell and distribute end-user licences for the proprietary ENGAGE platform, and ENGAGE XR and Lenovo will also work together on the sales and marketing of the recently launched ENGAGE Link. Through reselling the ENGAGE platform, Lenovo will be able to accelerate the growth of its ThinkReality VRX headset, which launches in early 2023, while the agreement marks a major endorsement of the ENGAGE platform by a company with over \$70bn of revenue, a global salesforce, and many existing enterprise customers that would be new customers for ENGAGE. Following the launch of ENGAGE Link on 7 November, we look forward to further updates on its momentum, and further detail on the group's performance at the FY22 trading update in January. We make no changes to our forecasts at this point, and as ENGAGE XR is strengthening and expanding across multiple fronts, we value the platform at 80p using a scenario-based approach to capture the wide range of potential outcomes for extended reality solutions. At 12p, it is trading on 5x 12-month forward EV/Sales with +99% NTM Sales growth.

## GENEDRIVE (GDR): CORP

### [FY results: good technical progress](#)

genedrive reported FY results to June 2022. The company has had a positive year in terms of technical and regulatory progress, but revenue generation will take longer to achieve and the company notes that generating commercial traction with multiple innovative products will require further financing.

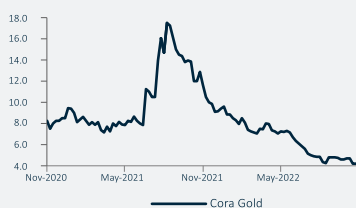
21 November 2022

## Corp

<b>Ticker</b>	<b>CORA:AIM</b>
<b>Mining</b>	
Shares in issue (m)	289.6
Next results	FY Mar
<b>Price</b>	<b>4.3p</b>
Target price	30.0p
Upside	606%
<b>Market cap</b>	<b>£12.3m</b>
Net debt/(cash)	-£4.0m
Other EV adjustments	£0.0m
Enterprise value	£8.3m

<b>What's changed?</b>	<b>From</b>	<b>To</b>
Adjusted EPS	-	-0.7
Target price	-	30.0

### Share price performance



%	1M	3M	12M
Actual	-9.6	-12.4	-63.4

### Company description

Cora Gold is a gold exploration and development company with assets in Mali.

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## CORA GOLD\*

### Definitive Feasibility Study and Optimised Economics released

Cora Gold offers exposure to a significant gold exploration and development business with a lead project at Sanankoro in south western Mali. The company has now released the results of the Definitive Feasibility Study (DFS) for Sanankoro and at the same time has also released an optimised update with improved project economics. The net result is an unrisks NPV for the project of US\$95.1m – this is a significant multiple of the company's current market capitalisation.

- The Sanankoro optimised project economics are based on a gold price of US\$1,750/oz (currently trading at US\$1,746/oz) and an initial Mining Reserve of 422,000 ounces of gold contained within 10.1 million tonnes of ore grading 1.30 g/t. The ore is mostly oxidised material and so should be straightforward to mine and process with gold recoveries expected to be 90.1% using a conventional 1.5 mtpa Carbon in Leach process plant. This gives a 6.8 year mine life based on the currently defined Reserve. Cash costs are estimated at US\$771/oz with all-in sustaining costs of US\$997/oz at current gold prices.
- In economic terms the project has an IRR of 52.3% and a rapid 1.2 year payback. This is primarily because of the oxidised nature of the ore. The post-tax NPV using an 8% discount rate is calculated to be US\$95.1m.
- Up-front capital is estimated to be US\$90m, reduced from initial estimates by using a second-hand grinding mill and by making other detailed design changes based on discussions with contracting and mine construction companies with extensive experience in West Africa. Interestingly, the design includes a hybrid power option incorporating solar power. The company expects to make use of contractors for the actual mining operation. This reduces the up-front capex but has a negative impact on operating costs. This is standard practice for a mining startup.
- There is substantial upside from the present optimised DFS, based on a further 121,000 ounces of gold withing currently defined Resources. This would add a further 2.5 years to the mine life. This Resource needs infill drilling before it can be converted to Reserve. Beyond that, there is potential for as much as 1.3 million ounces as an Exploration Target though this needs further work to properly define it.

Key estimates		2020A	2021A	2022E	2023E	2024E
Year end:		Dec	Dec	Dec	Dec	Dec
Revenue	\$m	0.0	0.0	0.0	0.0	0.0
Adj EBITDA	\$m	-0.7	-1.3	-1.9	-2.1	-2.3
Adj EBIT	\$m	-0.7	-1.3	-1.9	-2.1	-2.3
Adj PBT	\$m	-0.7	-1.3	-1.9	-2.1	-2.3
Adj EPS	c	-0.4	-0.6	-0.7	-0.7	-0.8
DPS	c	0.0	0.0	0.0	0.0	0.0

Key valuation metrics		2020A	2021A	2022E	2023E	2024E
EV/EBIT (adj)	x	-13.6	-7.6	-5.2	-4.7	-4.3
P/E (adj)	x	-12.2	-9.1	-7.7	-7.0	-6.4
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-20.4%	-62.8%	-47.0%	-48.4%	-49.7%
Pre-tax ROCE	%	-4.0%	-4.9%	-54.7%	-152.6%	-213.8%

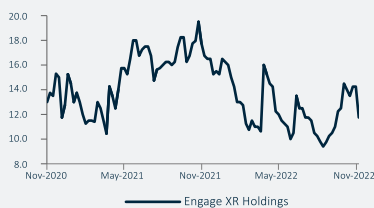
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## Corp

<b>Ticker</b>	EXR:AIM
<b>Software &amp; Computer Services</b>	
Shares in issue (m)	290.1
Next results	FY Mar
<b>Price</b>	
Price	11.8p
Target price	80.0p
Upside	581%
<b>Market cap</b>	
Market cap	£34.1m
Net debt/(cash)	-£4.3m
Other EV adjustments	£0.0m
Enterprise value	£29.8m

<b>What's changed?</b>	From	To
Adjusted EPS	-1.4	n/c
Target price	80.0	n/c

### Share price performance



%	1M	3M	12M
Actual	-16.1	20.5	-30.9

### Company description

ENGAGE XR operates a cloud-based, extended reality software platform

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## ENGAGE XR HOLDINGS\*

### Reseller agreement with Lenovo to scale the ENGAGE platform

Following [Lenovo being announced as a launch partner of ENGAGE Link](#) on 28 September, ENGAGE XR and Lenovo have signed a commercial reseller agreement. The agreement enables Lenovo to resell and distribute end-user licences for the proprietary ENGAGE platform, and ENGAGE XR and Lenovo will also work together on the sales and marketing of the recently launched ENGAGE Link. Through reselling the ENGAGE platform, Lenovo will be able to accelerate the growth of its ThinkReality VRX headset, which launches in early 2023, while the agreement marks a major endorsement of the ENGAGE platform by a company with over \$70bn of revenue, a global salesforce, and many existing enterprise customers that would be new customers for ENGAGE. Following the [launch of ENGAGE Link on 7 November](#), we look forward to further updates on its momentum, and further detail on the group's performance at the FY22 trading update in January. We make no changes to our forecasts at this point, and as ENGAGE XR is strengthening and expanding across multiple fronts, we value the platform at 80p using a scenario-based approach to capture the wide range of potential outcomes for extended reality solutions. At 12p, it is trading on 5x 12-month forward EV/Sales with +99% NTM Sales growth.

- **ENGAGE Link** – The [ENGAGE Link](#) platform is an evolution of the group's immersive communications platform, ENGAGE, and is designed for customers to create their own virtual worlds to provide services directly to their own clients, and engage with their employees, suppliers, and other stakeholders. It is split into four plazas, with the Central Plaza serving as the starting point for new visitors, from which they can walk through portals to locations within the ENGAGE metaverse or other platforms. The Enterprise Plaza enables organisations to create their own virtual world to deliver meetings, product launches, demonstrations, training days, and events. The Education Plaza hosts educational institutions, and the 10 Meta-funded 'Metaversities' are already using ENGAGE Link for thousands of students. The Creative Plaza serves as a location for brands, artists, and content studios, where it will showcase some of the most creative ideas in the metaverse, including a virtual concert with FatBoy Slim in early 2023.
- **Investment case** – As we explain in more depth in our March [initiation](#), ENGAGE XR is focused on achieving its potential within extended reality through leveraging its proprietary cloud-based platform, a focus on data security, and an excellent reputation for reliability and stability. The initial development of its immersive platform in 2015 has enabled an early-mover advantage in XR, and it already benefits from a blue-chip customer base that includes 3M, HTC, Meta (Facebook), Unilever, KPMG, the US Department of State, Audi, BMW, Vodafone, and Stanford University. A market share of only 1% of the current global team collaboration software market would correspond to over \$100m of revenue, with further upside possible from complementary markets such as events and training, and transformational potential as its platform evolves into the metaverse through ENGAGE Link.

Key estimates		2019A	2020A	2021A	2022E	2023E
Year end:		Dec	Dec	Dec	Dec	Dec
Revenue	€m	1.0	1.4	2.4	4.9	9.7
Adj EBITDA	€m	-1.4	-2.0	-2.4	-3.8	-1.0
Adj EBIT	€m	-1.9	-2.7	-3.0	-4.2	-1.2
Adj PBT	€m	-1.9	-2.7	-3.0	-4.2	-1.2
Adj EPS	c	-1.0	-1.1	-1.0	-1.4	-0.4
DPS	c	0.0	0.0	0.0	0.0	0.0

Key valuation metrics		2019A	2020A	2021A	2022E	2023E
EV/EBIT (adj)	x	-17.8	-12.6	-11.3	-8.1	-28.3
P/E (adj)	x	-13.5	-12.0	-13.9	-9.3	-32.6
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-5.6%	-5.7%	-7.0%	-10.8%	-3.8%
Pre-tax ROCE	%	-66.8%	-87.5%	-35.5%	-97.8%	-38.4%

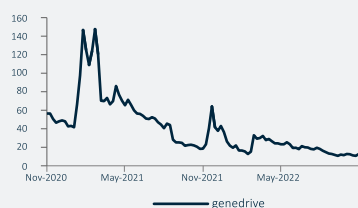
21 November 2022

## Corp

<b>Ticker</b>	GDR:AIM	
<b>Pharmaceuticals &amp; Biotechnology</b>		
Shares in issue (m)	91.8	
Next results	FY Nov	
<b>Price</b>	<b>12.8p</b>	
Target price	Under review	
Upside	n/a	
<b>Market cap</b>	<b>£11.7m</b>	
Net debt/(cash)	-£3.0m	
Other EV adjustments	£0.0m	
Enterprise value	£8.7m	

<b>What's changed?</b>	<b>From</b>	<b>To</b>
Adjusted EPS	U/R	n/c
Target price	U/R	n/c

### Share price performance



%	1M	3M	12M
Actual	4.1	-30.1	-30.1

### Company description

Molecular diagnostic company with point-of-care PCR technology

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## GENEDRIVE\*

### FY results: good technical progress

genedrive reported FY results to June 2022. The company has had a positive year in terms of technical and regulatory progress, but revenue generation will take longer to achieve and the company notes that generating commercial traction with multiple innovative products will require further financing.

- **Results.** The group reported revenue of £0.049m, R&D spend of £3.9m, an operating loss of £5.6m, a net loss of £4.7m and a loss per share of 5.5p. Net cash at end-June 2022 was £4.6m. Since year-end, the cash burn has averaged £0.4m per month and unaudited net cash at the end of October was £3.0m. If cash burn continues at that rate, in the absence of significant revenue generation, the Group's cash runway extends until around the end of June 2023. Any notable revenue generation would extend that further. genedrive has noted that it will seek the additional funding that will be needed to generate traction in terms of revenue generation.
- **Technical and regulatory progress.** genedrive's technical and regulatory achievements in the last year include: 1) first NHS Deployments and sales of the Genedrive System for Antibiotic Induced Hearing Loss (AIHL) at Manchester Hospitals; 2) launched 2nd generation Genedrive System to support strategy focus of assay development to emergency care settings; 3) NICE accelerated evaluation of the Genedrive MT-RNR1 ID test; 4) NICE includes Genedrive CYP2C19 ID Kit in Diagnostics Assessment Programme; 5) Point-of-Care Genedrive COV19-ID Kit received Coronavirus Test Device Approval ('CTDA'); 6) new product development programme initiated for use of Genedrive Point-of-Care device for ischemic stroke treatment in emergency care settings; and 7) filed US FDA Pre-submission for the Genedrive MT-RNR1 ID product range. The MT-RNR1 (AIHL) test evaluation by NICE could reach the consultation stage by February 2023; a positive outcome would likely help propel sales of the test in the UK and arguably bode well for the same outcome from the US FDA submission.
- **Forecasts and valuation.** Given the group's note that it will look to seek additional funding before it is likely to generate significant commercial traction, its – for now - limited cash runway and until we have visibility over orders for both AIHL and COVID-19 POC tests, which are undergoing evaluations with regulators and distributors, we are leaving our forecasts and target price under review.

Key estimates		2019A	2020A	2021A	2022A	2023E
Year end:		Jun	Jun	Jun	Jun	Jun
Revenue	£m	2.4	1.1	0.7	0.0	U/R
Adj EBITDA	£m	-4.3	-5.6	-5.2	-5.3	U/R
Adj EBIT	£m	-4.4	-5.6	-5.5	-5.6	U/R
Adj PBT	£m	-4.4	-5.6	-5.5	-5.6	U/R
Adj EPS	p	-11.9	-11.7	-6.9	-5.5	U/R
DPS	p	0.0	0.0	0.0	0.0	U/R

Key valuation metrics		2019A	2020A	2021A	2022A	2023E
EV/EBIT (adj)	x	-2.0	-1.6	-1.6	-1.6	U/R
P/E (adj)	x	-1.1	-1.1	-1.8	-2.3	U/R
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	U/R
Free cash yield	%	-31.6%	-32.6%	-45.2%	-40.0%	U/R
Pre-tax ROCE	%	-72.8%	-67.9%	-152.5%	-99.2%	U/R



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