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## Northland Capital Partners View on the City Motif Bio, 32RED, Mi-Pay and Alexander Mining

**Motif Bio plc (LON:MTFB) - BUY\*: £22m placing to be completed**  
**Market Cap: £44m; Current Price: 69p; Target Price: 103p (from 89p)**  
**Final condition of the £22m placing satisfied**

- Motif Bio announced that, further to the Company's announcement on Friday 17 July 2015 whereby the US Food & Drug Administration (FDA) has designated Motif's flagship product iclaprim as a Qualified Infectious Diseases Product (QIDP) for hospital acquired bacterial pneumonia (HABP), the final condition of the £22 million placing which was announced on 23 June 2015 has been satisfied.
- The Company expects that admission and dealings in the 44,000,000 placing shares will commence on 27 July 2015.
- QIDP designation, provided under the Generating Antibiotic Incentives Now Act (GAIN Act), makes iclaprim eligible for priority review and fast track designation.
- Also, if ultimately approved by the FDA, iclaprim will be eligible for a total of 10 years of market exclusivity, starting from the date of NDA approval for HABP.
- We increased our target price to 103p from 89p.

**NORTHLAND CAPITAL PARTNERS VIEW:** QIDP designation satisfies the final condition required to complete Motif's recent £22m placing. We increased our target price from 89p to 103p, to account for iclaprim's improved risk-return profile. Our new target price also accounts for the dilution associated with the placing. Receiving QIDP status marks yet another major milestone for iclaprim, as it doubles the market exclusivity period for the drug once it is approved for HABP. The group also expects to receive QIDP status for iclaprim for skin infections shortly.

**Alexander Mining (LON:AXM) - BUY\*: Australian patent**  
**Market Cap: £1.7m; Current Price: 0.68p; Target Price: 2.6p**  
**Patent for a Method of recovering cobalt from cobalt ores**

- MetaLeach Ltd. a 100%-owned subsidiary of Alexander Mining has been awarded a patent for a Method of Recovering Cobalt from Cobalt-Containing Ores in Australia, patent number 2013202009.
- The patent has a twenty year term from the original date of filing (26/03/2013).
- No change to forecasts, rating or price target.

**NORTHLAND CAPITAL PARTNERS VIEW:** Alexander Mining continues its extensive programme of IP protection. As we have previously highlighted, the continued protection of its IP is key in ensuring the Company is able to advance its technology to commercialisation. Alexander Mining is continuing to advance its potential commercialisation routes with its a definitive licence agreement with Ebulio Resources Fund and RCR Quantum Madencilik for the Silvas copper project in Turkey, and its HoA with Compass Resources for the use of its technology on the Browns Oxide Copper-Cobalt-Nickel Mine in Australia.

**32RED (LON:TTR): 1H trading update**  
**Market Cap: £61m; Current Price: 72.5p**  
**Healthy growth**

- Net Gaming Revenue (NGR) was +22% to £19m in the 1H15, which correlates with active casino customers +22% YoY in the 1H15. Casino player yield 5% lower to £380 per player and casino player cost per acquisition increased by 9% to £197. Mobile showed healthy growth and now makes up c. 42% of casino revenue from 32% in the prior year.

- NGR in Italy was +67% YoY, though from a lower base, to £0.9m on the back of the number of active players +46% to 8,443.
- The outlook reads well and the positive momentum has continued into the 2H15 where Gross Gaming Revenue in the first 20 days in July was +35% YoY and trading is in line with expectations.
- TTR recently announced that it acquired Roxy Palace for a consideration of £8.4m, £2m in cash staggered as £1m at completion, £0.5m six months after completion and the remaining £0.5m on 31 December 2016 and the majority of the consideration in shares at 64p (£6.4m). Roxy is an online casino provider with a customer database of 230,000 players and also uses the Microgaming platform which makes migration of players and integration of systems and software easier and should lead to cost synergies.

**NORTHLAND CAPITAL PARTNERS VIEW:** Positive trading statement from TTR with Italy showing healthy growth albeit from a lower base compared to revenue derived from the UK. The share price has performed better since the announcement of Roxy (+13%) and the stock trades on c. 12.5x FY15 consensus earnings which is not particularly demanding given the regulatory nature of earnings. The stock also offers investors a c. 3.5% prospective dividend yield.

### **Mi-Pay (LON:MPAY): Trading update**

**Market Cap: £11.4m; Current Price: 27p**

**H1 in line - top line growth, reduced cost base**

- H1 trading in line with management expectation with revenue of £1.5m (+10%). Underlying revenue growth, stripping out the major client that was lost in late 2013) was 35%. Continued growth in underlying transaction value and volumes while payment success rates remain high and fraud levels low.
- £0.7m reduction in the operating cost base following the reduction in headcount in 2014. £3.8m in cash at H1, following March's £1.75m placing.
- On track to achieve target of positive cash flow in 2016.

**NORTHLAND CAPITAL PARTNERS VIEW:** Encouraging trading update from the provider of payment services to Mobile Network Operators (MNOs) and Mobile Virtual Network Operators (MVNOs). The loss of the major customer in 2013 was a setback after its decision to insource its payments service and continue to skew the financial metrics but there was good growth on an underlying basis. There is an ongoing shift towards digital services for mobile top up and other content services and Mi-Pay is able to offer connections to a wider range of payment providers, secure higher transaction success rates but also indemnify its clients against fraud. Asia offers considerable growth and Mi-Pay has secured a number of clients although transaction volumes are currently low.

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