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THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM JOURNAL

Avenir becomes AIM Journal sponsor

Avenir Registrars is the new sponsor of AIM Journal and this comes at a time when the performance of AIM is starting to pick up.

Avenir has a range of cost-effective, fixed-price services that is ideal for smaller companies. It is the new boy on the block, which means that it does not have the inefficient legacy systems of its older rivals. High levels of automation using specifically developed software mean the costs of servicing clients can be reduced. Find out more on page 8.

The FTSE AIM All-Share index increased by 11.6% in 2019, which is not far behind the performance of the FTSE 100 index (an increase of 12.1%) and the FTSE All-Share index (up 14.9%).

The FTSE AIM UK 50 index outdid them all, with an 18.3% gain over last year. Silence Therapeutics, Dart Group and Learning Technologies Group were the best performers in that index. Redde and IQE were the two worst performers of the eight constituents with a lower share price at the end of the year.

This is not something that would have been expected earlier in the year when AIM was lagging the Main Market in performance terms. The weak comparatives at the end of 2018 certainly help the year-on -year performance of AIM, but there was also a significant recovery in the fourth quarter of 2019.

Breedon asset buy

Aggregates supplier Breedon is acquiring the UK assets of Cemex for £155m in cash, plus the assumption of £23m of lease liabilities, taking the total cost to £178m. The assets will generate additional cash and boost earnings in their first full year.

The assets include ready-mix concrete operations, aggregates quarries and asphalt plants located in central Scotland, northern England, East Anglia and south Wales. In 2018, they made EBITDA of £23m on revenues of £178m, although the outcome in 2019 could be slightly lower. The deal should add 5% to earnings per share in 2021, because the TUPE consultation process means that the deal will not be completed until the spring of 2020. On top of that there could be at least £2m of cost savings in the third year of ownership.

The cash to pay for the assets will come from bank debt and pro forma net debt will reach £400m. Even before the deal, Breedon was expected to make a pre-tax profit of £114m in 2020. It will have 170 million tonnes of reserves and resources, which will last more than 27 years at the present extraction levels.

In this issue

Pub focus for Barkby

New executive chairman Charles Dickson intends to focus on growing the pub interests of Barkby Group following the reversal of his family interests into the former NEX Growth Market company. His father built up the Yates Wine Lodge business and floated it in 1994.

Barkby is negotiating the acquisition of The Star Inn in Sparsholt, Oxfordshire and that would take the gastropub estate to seven. Dickson believes that choosing and managing properties is important for pub companies and he is optimistic about the prospects for gastropubs.

Barkby paid £30.6m in shares and cash for the Dickson businesses that includes Workshop Coffee, which operates four coffee shops and is a wholesaler of speciality coffee, and a commercial property development business. Barkby also acquired the right to invest in two private companies: Transcend Packaging, which has a contract to supply McDonalds with paper straws, and VivoPlex, which has developed a medical device for fertility monitoring.

Barkby already owned luxury used vehicles dealership Centurian and the group appears to have a wide spread of interests. Workshop fits into the hospitality focus and it will supply coffee to the group pubs. The property expertise will also be useful in the pubs business.

There was a consolidation of 193 existing shares into 74 new shares. Barkby joined AIM on 7 January and trading commenced at 28.5p, compared with a placing price of 30p. The placing raised £4.4m after expenses, and there is a bridging facility of £3.5m. There is £2m earmarked for investing in VivoPlex.

eEnergy reverse

Energy efficiency services provider eLight Group has used Alexander Mining as a shell to join AIM. It has changed its name to eEnergy Group. The company provides light-as-a-service, where there is no upfront cost to its commercial customers when they switch to LED lighting. The monthly cost is less than the previous lighting costs because there can be savings of up to 80%. The loss-making eLight business generated revenues of €4.47m in just over 12 months to June 2019. The management plan is to acquire other energy efficiency services and energy management providers. A placing raised £2.2m (£1.34m after expenses) at 7.5p a share. That price is set after a 300-for-one share consolidation.

Open Orphan broadens range

Rare and orphan drugs consulting services provider Open Orphan is creating a broader pharma services business through the all-share acquisition of hVIVO. The two companies have complementary skills and sector expertise and there will be cost savings to help the business move into profit. Both companies have reported significant losses in previous years.

Open Orphan currently outsources some operations, which could be handled by hVIVO. For example, hVIVO can offer laboratory services. This also means that group resources can be better utilised. Respiratory and infectious diseases are the specialist area for hVIVO, which adds to the existing expertise in rare and orphan drugs.

Pro forma revenues for the enlarged group are £23.1m, although that is based on 2018 figures, so it is not up to date. The existing management of hVIVO has already restructured the business and reduced annualised overheads, which will eventually be £11m lower than in 2017.

The bid is 2.47 Open Orphan shares for each hVIVO share. At the time of the bid this valued each hVIVO share at 15.56p and the capitalisation of the combined group was £28.5m. The bid has already gone unconditional and the readmission of the enlarged group to AIM is set for 20 January. Open Orphan is currently seeking to raise up to £10m through a proposed placing, of which £2.5m is underwritten.

Open Orphan continues to develop its orphan drug genomics platform. This collates and analyses valuable genetic data. Management wants to build up the largest database of rare disease patients in Europe. Open Orphan offers to host patient data for patient advocacy groups, which earn a share of any revenues earned from selling access to pharma companies. Early adopters have already signed up for the Genomic Health DataBank.

Cenkos and Numis top flotation adviser table

Cenkos Securities and Numis Securities were the most active nominated advisers in terms of last year's AIM flotations. Each of them was nominated adviser to three admissions. Arden Partners, Peel Hunt, Stifel Nicolaus and WH Ireland each took that role on two admissions.

There were 23 new admissions to AIM in 2019, which was well down on previous years. The previous low was 2009 when there 36 flotations, which raised £740m of new money – excluding sales of existing shares. That is more than the £489m raised last year.

In 2002, £490m was raised by 160 companies, while in 1999 102 companies raised £333.7m. In fact, 1996 was the only year in the nineties when more money was raised by new issues than in 2019.

To put that in perspective, in the early years there were companies switching from the London Stock Exchange's matched bargains trading rule and from AIM's predecessor the Unlisted Securities Market, as well as from the Main Market. These did not tend to raise money. Also, the companies joining AIM were much smaller and did not raise as much.

The figures are made up of new companies, reversals and moves from the Main Market. Last year, there were eleven completely newly quoted companies coming to AIM and five that moved from the Main Market. SDX Energy purely changed its domicile to the UK and was then readmitted.

Cenkos floated pharma data analytics company Diaceutics, bricks distributor Brickability and MJ Hudson, a provider of support services to the financial sector. Numis floated forex services provider Argentex and healthcare technology company Induction Healthcare, while its third new admission was Chaarat Gold, which was a reversal.

Healthcare services provider Uniphar was a Davy client and it raised £121.1m, which was nearly a quarter of the total money raised. Cenkos raised £103m in total and Numis raised £28.6m.

Promotional products company Pebble Group was a client of Grant Thornton, N+1 Plus brought serviced offices software provider Essensys to AIM, oil and gas shell Longboat Energy was a client of Stifel Nicolaus, and bars operator Loungers was floated by Altium. Distribution Finance Capital was spun out of AIM-quoted TruFin, so it is not always classed as a new AIM company, and Macquarie was nominated adviser.

■ Wealth management services provider **Harwood Wealth Management** is recommending a 145p a share cash bid. Shareholders can opt to take a combination of cash and securities. Harwood floated as a consolidator in the sector and believes that it requires greater financial backing to make further progress. Carlyle and Hurst Point are behind the bid.

ADVISER CHANGES - DECEMBER 2020

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
Mpac	Shore	Panmure Gordon	Shore	Panmure Gordon	09/12/19
PetroTal Corp	Stifel Nicolaus/Numis	GMP FirstEnergy/ Numis	Strand Hanson	Strand Hanson	09/12/19
SDX Energy	Stifel Nicolaus/Cantor Fitzgerald	GMP FirstEnergy/ Stifel Nicolaus/ Cantor Fitzgerald	Stifel Nicolaus	Stifel Nicolaus	09/12/19
Sterling Energy	Peel Hunt	GMP FirstEnergy	Peel Hunt	Peel Hunt	09/12/19
CPL Resources	Shore/Davy	Davy	Davy	Davy	11/12/19
Europa Metals	Turner Pope	Brandon Hill/ Turner Pope	Strand Hanson	Strand Hanson	20/12/19
Gresham House Strategic	Panmure Gordon/ finnCap	finnCap	finnCap	finnCap	20/12/19

Foreign currency continues to propel growth at pawnbroker Ramsdens

Pawnbroker *www.ramsdensplc.com*

Foreign-currency provision continues to be the main profit generator for pawnbroker **Ramsdens**, although the other parts of the business are also improving their contributions. Uncertainty has held back the growth of foreign-currency income in the busier first half, but this part of the business still grew. The momentum of the whole business was strong over the Christmas period.

In the six months to September 2019, underlying pre-tax profit was 12% ahead at £5.7m. Foreign currency, jewellery sales and pawnbroking all increased revenues. A change in mix of product reduced jewellery margins. During the first half, three new stores were opened and three taken on from The Money Shop.

Online income is growing

There was a 57% increase in the gross profit contribution from purchasing gold and other precious metals, with £600,000 of the £4.1m coming from the scrapping of old jewellery stock, which is a one-off. The higher gold price helped. There was also a profit boost from other financial services, such as cheque cashing and Western Union money transfer.

The interim dividend has been raised by 0.3p a share to 2.7p a share. The shares go ex-dividend on 16 January. Net cash was £12.3m at the end of September, before lease liabilities, up from £8.2m six months earlier.

There should be four additional stores opened in the second half,

RAMSDENS HOLDINGS (RFX)			240p
12 MONTH CHANGE %	+41.6	MARKET CAP £M	74

taking the total to 163, and there are potential relocations. Online income is also growing.

Ramsdens says that it expects to beat the current underlying pre-tax profit estimate of £8m for this year. This is due to strong trading at the end of 2019 and is helped by the acquisitions of sites and assets that were formerly part of The Money Shop. The full-year dividend is expected to be at least maintained at 7.2p a share, but it could be raised following the interim uplift. That would be nearly three times covered by earnings. Ramsdens is trading on 12 times prospective 2019-20 earnings, falling to just over eleven the following year.

Circle Property managing its asset growth

Regional office property *www.circleproperty.co.uk*

Regional offices investor and manager **Circle Property** has rental income that more than covers its overheads and enables it to pay a growing dividend. The latest interim dividend has been raised by 10% to 3.3p a share.

Annualised contracted income improved from £7.6m to £8.2m in the six months to September 2019, with an additional uplift of £598,000 since then. It could reach £9.1m by the year end. Concorde Park was acquired for £16.6m during the

CIRCLE PROPERTY (CRC)			205p
12 MONTH CHANGE %	+6.5	MARKET CAP £M	58.5

period, partly offset by £4.6m raised from a non-core property disposal. Net debt was £57m at the end of September 2019.

Because Circle is not a REIT it can retain more of its income in order to finance the active management of its properties. This boosts long-term capital growth.

Circle edged up its estimated NAV to 279p a share, following the payment of last year's final dividend of 3.3p a share, and it is expected to move above 280p a share by the end of March 2020. Occupancy levels are 91.25% and the uplift in rents will provide impetus to valuation upgrades.

Jersey-registered Circle has been quoted on AIM for nearly three years and the shares are tightly held. There is a discount of more than a quarter to NAV and the forecast yield is 3.2%.

Panoply Holdings moving into profit as consolidation strategy starts to bear fruit

Digital services *www.thepanoply.com*

Digital services provider **The Panoply Holdings** reported a one-third increase in interim revenues to £13.4m and the public sector is becoming a greater percentage of revenues. The company floated 13 months ago, and this is the first full trading period when the four businesses brought together in December 2018 have traded as a group, although others have been added since. Panoply is on course to move into profit this year.

Panoply floated in order to acquire digital businesses and in the first half it bought FutureGov, which is involved in the digital transformation of the public sector. It is involved in the early stages of projects and existing Panoply business NotBinary is involved in later stages. The two businesses will trade as FutureGov.

The cash pile will increase

Management has a deliberate strategy of building up its work in the public sector. This covers central and local government, education and many other public sectors. The government is committed to more spending and investing in digital will be an efficient way of allocating the additional funds.

There is a sales backlog of £12.8m up until March and £12.2m for the following 12 months. That suggests that £26.2m of the £30.2m revenues forecast for 2019-20 is secured. Management previously indicated that revenues would be second-half weighted. A 2019-20 pre-tax profit of around £3m is forecast, valuing the company at 22 times prospective earnings.

More important, the cash pile will increase, excluding any acquisitions, in the years ahead. Progressive Research suggests that net cash will be £2.9m at the end of March 2020 and two years later it could be £9.6m.

THE PANOPLY HOLDINGS (TPX)			80p
12 MONTH CHANGE %	-5.9	MARKET CAP £M	39.4

Cohort acquires German sonar business

Defence and security *www.cohortplc.com*

Defence and security products provider **Cohort** has undergone a rerating over the past year. Profit has grown, but the share price has risen much more sharply. There has been a further rise since the interims and the proposed acquisition of ELAC Nautik were announced.

In the six months to October 2019, revenues jumped from £39.5m to £60.2m, with like-for-like growth of 17%. There was a full first-half contribution from the Chess threat detection business acquired at the end of 2018, which boosted the figures. Underlying pre-tax profit improved from £923,000 to £3.67m. Earnings per share more than trebled. The interim dividend was increased by 12% to 3.2p a share.

COHORT (CHRT)			722p
12 MONTH CHANGE %	+90	MARKET CAP £M	298.3

Cohort is paying Wartsila €11.25m for ELAC Nautik, which develops sonar systems technology for ships and submarines. Cohort's SEA electronic systems business has complementary expertise and there should be cross-selling opportunities. Germany will become more important for the group, as will the export potential of Asia Pacific. The deal is subject to government approvals and these can take a long time to come through, but it should complete by the end of June.

The acquisition should be earnings enhancing next year. In 2018, ELAV Nautik generated operating profit of €1.4m on revenues of €20.7m and it should do better than that in 2019.

Cohort is expected to improve full-year pre-tax profit from £15.9m to £18.9m, while a contribution from the acquisition will help Cohort to make more than £20m in 2020-21. The shares are trading on 18 times prospective 2020-21 earnings, although that figure depends on the timing of the ELAV Nautik acquisition.

Rockhopper deal adds production to United's portfolio of oil and gas interests

Oil and gas *www.uogplc.com*

United Oil & Gas is run by a management team that helped to build up Tullow Oil. The team has global experience and believe the current state of the oil sector provides a good opportunity to pick up attractive assets. Adding existing production assets in Egypt will help to generate cash and is part of the group's plan to have assets from exploration to production.

United is acquiring the Egyptian assets of fellow AIM-quoted oil and gas firm Rockhopper Exploration, whose attentions are focused on the Falkland Islands. Shareholders approved the deal and government approval is required for completion. This is currently expected to happen on 22 January.

These assets will generate cash

United is buying a 22% interest in the Abu Sennan concession in the western desert of Egypt, where production and exploration costs are low. United's share of production is 1,100 barrels of oil equivalent a day and there is an ongoing drilling programme. The implied acquisition cost is $6/barrel and cash operating costs were $6.5/barrel in 2018.

The cost of the deal is $16m (£12.2m) and Rockhopper will receive 114.5 million shares and cash, which is partly financed by pre-payment financing structure of up to $8m. A fundraising at 3p a share generated £4.3m, after £500,000 of expenses.

UNITED OIL & GAS (UOG)			3.6p
12 MONTH CHANGE %	-19.1	MARKET CAP £M	12.5

United started on the standard list and was introduced to AIM in March. It also has interests in onshore and offshore UK, Italy and Jamaica. United sold two North Sea blocks, where it had a 95% interest, to Anasuria Hibiscus UK for up to $5m. United has received $950,000 of the $1m initial payment. A further $3m is due by the end of 2020 if certain milestones are achieved and $1m will come from royalties if production commences. This is an example of United making a relatively small investment and creating cash to invest elsewhere.

Exploration success for Touchstone

Oil and gas *www.touchstoneexploration.com*

There was plenty of good news for **Touchstone Exploration Inc** at the end of 2019. The Trinidad-focused oil and gas producer says that the results of the Cascadura-1ST1 well suggest a significant crude oil discovery and production test results from the Coho-1 gas exploration well were better than expected. Both are in the Ortoire exploration block and this will provide a significant boost to the company's reserves.

Touchstone's short-term revenues have been held back as it ploughed more of its cash into exploration rather than workovers of existing fields. That has reduced cash generation, but the long-term benefits will be significant. Touchstone's current production is less than 2,000 barrels of oil a day.

TOUCHSTONE EXPLORATION INC (TXP)			22.25p
12 MONTH CHANGE %	+74.5	MARKET CAP £M	37.5

The Cascadura-1ST1 well will be tested in the first quarter. Gas production at Coho-1 could start later this year. Touchstone intends to tie in the gas production from Coho-1 to an existing production facility. Touchstone has an 80% working interest in the wells, with the state company Heritage Petroleum owning the other 20%.

Last February, £3.8m was raised at 12p a share. Net debt was $12.3m at the end of September 2019 and it was expected to rise. Another fundraising is likely in order to take full advantage of the potential of Ortoire.

Shore Capital's valuation estimate of 35p a share includes a 9p a share value for the potential resources on the Ortoire. That is likely to be an underestimate considering the success of the first two wells.

Franchise income works for Winkworth

Estate agency *www.winkworthplc.com*

Dividend

Winkworth has been paying quarterly dividends since it floated in November 2009. The first full-year payment was 4.3p a share for 2010. The dividend has increased steadily over the years and there was even a special dividend of 1.8p a share in 2015.

The total dividend for 2018 was 7.45p a share and the first three dividends for 2019 total 5.7p a share. A total 2019 dividend of 7.6p a share would appear likely on that basis, but Winkworth tends to increase the fourth-quarter dividend so the figure could be higher. The dividend would be covered by earnings 1.2 times. Further steady increases are expected.

Winkworth is able to make these payments and maintain a net cash balance. This is expected to be £2.64m at the end of 2019 even though capital investment has been more significant than in previous years.

Business

Estate agency Winkworth raised £1.1m at 80p a share when it joined AIM. That valued the company at £9.1m. Winkworth is a franchise operation with nearly 100 offices in the UK, France and Portugal. It also offers residential lettings and property management services.

A franchisee pays Winkworth 8% of revenues, with a minimum of £15,000 a year. They also pay 3-4% of annual revenues to cover advertising, training and IT services. Winkworth either takes on existing businesses for a percentage of revenues and a 10-year commitment or new franchisees pay a £20,000 fee.

Franchising has the benefit of limiting the downside for Winkworth because it does not require high fixed costs.

M WINKWORTH (WINK)	
Price (p)	130
Market cap £m	16.6
Historical yield	5.7%
Prospective yield	5.8%

Winkworth is particularly strong in the Greater London area. In the past that has been a strength, but the market has not been as buoyant in recent years. Savills predicts five years of weak house price growth in London over the period from 2020 to 2024. Because prices are already high it means that homes are much less affordable than in other parts of the country, although the gap is coming down.

Rightmove has indicated that there are signs that activity levels may be increasing in London, with selling times reducing slightly compared with one year ago. This year-on-year figure is based on a period that is not one of the most active in the sector and it is too early to say whether or not this is a trend.

Shore Capital expects 2019 pre-tax profit to be flat at £1.5m, with an improvement this year to £1.6m, putting the shares on 13 times 2020 earnings.

Winkworth has done well during a period when it has not been easy for estate agents and, most important, it has been able to generate cash to pay dividends.

If there is any upturn Winkworth will benefit, but until that happens it will be able to grow its dividends and provide a good income for investors.

Dividend news

Shoe Zone has maintained its total dividend at 11.5p a share, even though pre-tax profit fell from £11.3m to £9.6m in the year to September 2019. Revenues edged up from £160.6m to £162m. The footwear retailer had been expected to cut its dividend, but it is still 1.4 times covered by underlying earnings. There could be a partial recovery in profit this year. The pace of growth of the digital business is accelerating and the Big Box outlets are building their revenues. A 24% rent reduction on 60 stores helped to hold down overheads. There was cash of £11.4m at the year end.

Construction complaints and expert witness services provider **Driver** increased its 2018-19 dividend from 0.5p a share to 1.25p a share even though revenues decreased by 7% to £58.5m, while underlying pre-tax profit fell by 22% to £3m. Trading continues to recover and Driver has a strong balance sheet, with net cash of £5.4m at the end of September 2019. Sweden-based AB Traction has bought a 14.2% stake and it has previously acquired stakes in Waterman and WYG, which were subsequently taken over, so it is good at identifying undervalued property-related consultancy companies.

Caledonia Mining Corporation is increasing its quarterly dividend from 6.875 cents a share to 7.5 cents a share. WH Ireland forecasts a 2020 total dividend of 35 cents a share, which would cost $4m. The Blanket gold mine operator is estimated to have net cash of $11m at the end of 2019. Caledonia is continuing to invest around $20m a year and that is more than covered by the cash generated from the Zimbabwe-based mine, where a new central shaft is being constructed. That should enable gold production to increase from 55,182 ounces in 2019 to more than 80,000 ounces a year by 2022.

Expert view: Registrars

Avenir Registrars – an introduction

By Hardeep Tamana

At Avenir, we see ourselves as a next generation registrar for issuers of debt and equity securities. Founded in 2014, we have now facilitated over 200 individual issuances using our proprietary technology, which was developed from the ground up.

Our business processes are built with dematerialised securities very much in focus, something which removes overheads and administration from the registry function and in turn delivers unparalleled register accuracy.

> High levels of automation mean costs can be reduced

These high levels of automation mean costs can be reduced and as we look to raise awareness of our proposition, we have taken the decision to sponsor AIM Journal in 2020. There's no escaping the fact that smaller-cap companies are often left facing significant fees when it comes to maintaining their listing, so we are eager to get the message across that despite what you may have assumed, register keeping doesn't have to be a one-size-fits-all solution.

New entrant

We may be the newest UK registrars, but our agile team includes a number of key financial infrastructure figures who bring with them decades of collective experience in the registry and stockbroking arenas. Furthermore, our software has been specifically developed for us by sister company Avenir Technology, who themselves have built a series of post-trade settlement systems for stock and commodity exchanges across the globe.

> Our software has been specifically developed for us by sister company Avenir Technology

Successive rounds of consolidation in the wider share registrar business have, by all accounts, not served the market well. Legacy systems have often been difficult to integrate, and a number of registrars have therefore been unable to embrace the full potential to streamline systems, which is available as a result of the ongoing dematerialisation of securities.

With Central Securities Depository Regulation (CSDR) accelerating calls for paper certificates to be abolished, issuers really do need to be ensuring that any registry solution they are using is future-proofed against the ever-evolving regulatory backdrop.

The overriding assumption may be that there's little meaningful choice in the securities registry market, but at Avenir we're keen to ensure issuers and their professional advisers understand the full range of options available to them.

Despite the impression given by some providers, solutions can be adapted to meet the needs of individual issuers and that includes Avenir's innovative range of fixed-price services. We understand that whilst large issuers with a vast number of shareholders may be better positioned to absorb the expenses accompanying cumbersome legacy registry systems, smaller companies simply don't have that same luxury.

There's no shortage of evidence that smaller companies are increasingly favouring debt issuance over equity, or in some instances simply going private after having been deterred by the mounting costs associated with maintaining a listing. This is not helping with capital formation and it is not serving investors or issuer well, either.

By ensuring that costs can be controlled throughout the listing process, collectively we can work to make public securities listings more attractive and in turn ensure further growth in this important sector of the UK economy.

Over the coming months, we are going to discuss more generic issues faced by issuers and their advisers when working with registrars.

In the meantime, if you'd like to check out our website please visit www.avenir-registrars.co.uk, or drop us a line at info@avenir-registrars.co.uk.

HARDEEP TAMANA is Managing Director of Avenir Registrars. He has over 25 years of financial markets experience, working with a number of the largest banking and stockbroking firms. Holding a PhD in geochemistry from Manchester University, Hardeep has developed next-generation tools, including share screening software. Hardeep speaks four languages, served for eight years as CEO of a UK stockbroking firm and brings a wide range of leadership, technical and markets expertise to Avenir.

TellYourStory to a focused investor audience

Define Media's TellYourStory service enables AIM-quoted companies to access investors and set out their business and strategy on the AIM Journal and Bloomberg websites, as well as other sector specialist websites that are part of the online network that is being built up.

Attracting the attention of investors is difficult for all smaller companies unless they are flavour of the month with the media. Finding ways to gain that attention is harder than ever as newspapers and other publications increasingly focus on larger companies and smaller companies reporting becomes more marginalised.

This is particularly true for AIM-quoted companies. Anything that can help a small company educate investors on its business and strategy is a help. This is something that TellYourStory can facilitate.

TellYourStory has put together a network of online publications that can enable a company to access the specialist and general viewership in the UK and around the world that it needs to build up understanding of its business and help to improve the liquidity of their shares.

The timing of any videos is up to the company. This may be to coincide with financial results, corporate news or a specific deal, but they can go up on any day that is required by the client.

This is a cost-effective way of enhancing an investor relations strategy.

Network

The network of websites includes Bloomberg (www.bloomberg.com/markets.sectors.health-care), AIM Journal (www.aimjournal.info), Informa Pharma Intelligence's Scrip (scrip.pharmaintelligence.informa.com/pitch) and PharmaDJ China (http://www.pharmadj.com/tellYourStory.htm). There are no passwords or requirements to register. Each of the videos can be seen by anyone. This ensures an international readership of professionals, investors, company executives, analysts and journalists.

This service allows companies to publish videos about their business and financial results, plus related publications, such as analyst research, presentations, press release, profile, factsheet, annual reports and transcripts of the video. Up to six of these documents can be included with the video and they can be updated if required.

The presentation can also be synced with the video if that is useful. Subtitles can also be added to the video. They can be in English, French, German, Spanish, Mandarin, Portuguese or Arabic.

When a new video is broadcast email alerts are sent to the subscribers of each of the network participants. SEO tags and RSS feeds are generated, and links are published via social media.

Real-time viewing analytics, reports and charts are provided as part of the multimedia platform. The client can track traffic, viewers, reach and relevance.

The company retains copyright, ownership and full control of broadcasts. They also have 24/7 access to pause, withdraw or delete information. The broadcasts remain online for 12 months unless the company wants to take them down.

The healthcare sector has been chosen to launch the service, but it is being expanded into other sectors as demand for the TellYourStory investor relations opportunity evolves.

> TellYourStory has put together a network of online specialist publications

Cost

AIM-quoted companies are being given the opportunity to publish their videos and information on the TellYourStory network.

The service costs £4,995 (plus VAT) per broadcast. This covers the publication of the videos and associated information on all the relevant sites. This is a fraction of the cost of buying sponsored content directly on the Bloomberg website.

If a company decides to commit to paying for four video broadcasts in a year then the videos and associated information can be published via a custom playlist on its individual company page on Bloomberg.com as well.

For further information email TellYourStory@hubinvest.com.

AIM ends the year on a high

After a tough first nine months AIM did much better in the final months of 2019. It still underperformed the Main Market, but not by a substantial amount.

AIM was lagging the performance of the Main Market last year, but it closed the gap in the final months. AIM as a whole still underperformed the FTSE 100 index and FTSE All-Share index in 2019, but the gap narrowed significantly.

The FTSE AIM All-Share index increased by 11.6% in 2019, compared with a 14.9% gain by the FTSE All-Share index and a 12.1% rise by the FTSE 100.

AIM had a strong fourth quarter in 2019 in contrast to the same period in 2018 when there was a significant slump. It still has not recovered to the level it was at 15 months ago.

The FTSE AIM All-Share index rose by 9.8% in the fourth quarter. Jitters ahead of the General Election on 12 December led to the index losing most of its initial gains in the quarter and it fell to 895 on 11 December. There was a 7.1% increase from then to the end of 2019.

The FTSE AIM UK 50 index was the best performer of the major UK FTSE indexes with a 18.3% increase. This fits the general trend that when AIM starts to recover the larger companies can rise the most in the early months.

Money raised

The lack of new admissions has been highlighted, but existing AIM companies were raising money. The £3.35bn raised in secondary issues during 2019 was the lowest level for five years, but it was still a significant amount of money.

Roughly one-third of this cash was raised by financials and technology companies. Although the consumer staples and consumer services sectors account for more than a quarter of AIM's value, they raised a relatively small amount of money.

That lack of new companies meant that the number of companies on AIM fell from 923 to 863. Even so, the market capitalisation of all the companies on AIM increased from £91.3bn to £104.2bn. The only year-end where the figure was higher was 2017, when the market value was £106.9bn.

The average market value of AIM companies is £120.7m, which is the highest it has ever been. There are sixteen AIM companies with a market value of more than £1bn and these companies account for 29.8% of the total value of AIM. Nearly two-thirds of the value of AIM is accounted for by companies valued at more than £250m.

Liquidity

The value of shares traded fell from £68.8bn in 2018 to £59.5bn last year. That is still the fourth-highest figure in the history of AIM.

There were 10.2 million AIM trades last year, down from 11.2 million in 2018. The 2017 figure of 11.5 million was the all-time high.

The day after the General Election the trading volume was £377.9m, which was the highest figure for December. There were 57,750 trades on the day. The AIM All-Share rose by 2%.

Even so, the volumes in December were still much lower than in November. Any pick-up in liquidity in the first few months of 2020 would indicate a strengthening market. However, the comparatives are quite tough.

Trading volumes were particularly strong in January 2019 and, although February was weaker, March and April were also relatively strong. If these trading levels can at least be matched this year then it will represent a sustained recovery from the weaker months later in 2019.

An increase in the number of new companies joining AIM would be another indication that the junior market is doing better. Brokers' have said in the past that they have a pipeline of new companies that are interested in floating and it will be interesting to see if they do go ahead now that the political situation is less uncertain.

> There were 10.2 million AIM trades last year

> The number of companies on AIM fell from 923 to 863

statistics

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Consumer	28	15.9
Industrials	15.9	15.7
Healthcare	12.7	9.9
Technology	11.1	11.6
Financials	10.9	12.6
Energy	7.6	11.1
Basic materials	5.3	13.6
Property	5.3	3.2
Telecoms	1.9	2.5
Utilities	1	1.5

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	958.26	+11.6
FTSE AIM 50	5487.28	+18.3
FTSE AIM 100	4929.56	+12.3
FTSE Fledgling	9839.33	-0.4
FTSE Small Cap	5950.49	+14.9
FTSE All-Share	4196.47	+14.2
FTSE 100	7542.22	+12.1

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	166
£5m-£10m	86
£10m-£25m	165
£25m-£50m	125
£50m-£100m	124
£100m-£250m	114
£250m+	92

KEY AIM STATISTICS

Total number of AIM	872
Number of nominated advisers	28
Number of market makers	48
Total market cap for all AIM	£100.2bn
Total of new money raised	£115.2bn
Total raised by new issues	£45.3bn
Total raised by secondary issues	£69.9bn
Share turnover value (Nov 2019)	£55.3bn
Number of bargains (Nov 2019)	9.41m
Shares traded (Nov 2019)	567.5
Transfers to the official list	191

TOP 5 RISERS OVER 30 DAYS

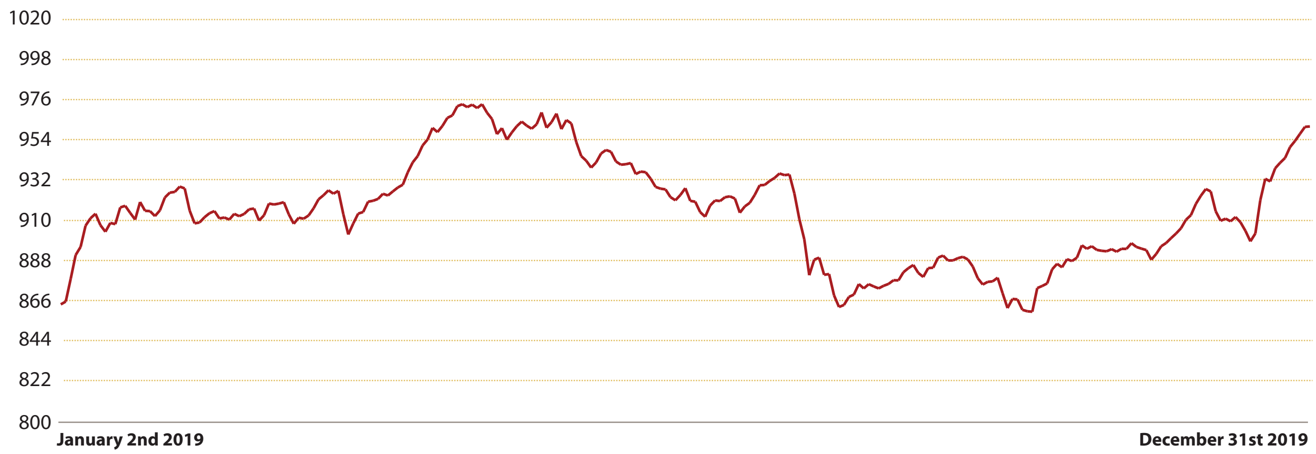
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Defenx	Software	3	+216
LightwaveRF	Consumer	4.75	+157
Infrastructure India	Financials	3.6	+132
Veltyco	Leisure	5.2	+131
Oracle Power	Mining	1.1	+129

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Anglo African Oil & Gas	Oil and gas	0.75	-70.6
Mi-Pay	Technology	1.25	-65.3
TechFinancials Inc	Leisure	1.35	-56.6
Futura Medical	Healthcare	13.875	-53.4
GRC International	Technology	12.25	-52.9

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 31st December 2019, and we cannot accept responsibility for their accuracy.

AIM Journal

AIM Journal is a monthly publication that focuses on the Alternative Investment Market (AIM) of the London Stock Exchange and the companies and advisers involved in the junior market.

Each month the publication includes information about AIM-quoted company news, changes to the brokers and nominated advisers, AIM statistics and general articles concerning AIM.

AIM Journal has been published for nearly a decade. There is no other publication of its type with a pure AIM focus and a sponsorship model, making it free to readers.

The pdf-based publication has an email database of company directors and advisers and an email with a link to the latest edition is sent out each month when the AIM Journal is published. The AIM Journal can also be accessed via http://www.hubinvest.com/AimJournalDownload.htm.

The readership via the email is predominantly a professional one. One-quarter of readers are company directors, one-fifth solicitors and accountants, one-fifth brokers and 15% PRs. The rest of the readership is made up of investors, journalists and other individuals.

AIM

The Alternative Investment Market (AIM) was launched on 19 June 1995 with ten companies that had a total market value of £82.2m at the end of the first day's trading. The total amount of money raised by new and existing companies in the remainder of 1995 was £96.5m.

More than 3,800 companies have joined AIM since then, although it should be remembered that some of these are the same companies readmitted after a reverse takeover. These companies have raised more than £112bn either when they join AIM or while they are trading on the junior market.

In 1995, there were 29,099 trades with a total value of £270.2m. These days it is unusual if there are not that many trades in a single day, although their total value tends to be less than £270m.

Companies that started out on AIM include online gaming operator GVC, healthcare properties investor Primary Health Properties, self-storage firm Big Yellow, animal genetics provider Genus, online gaming technology developer Playtech and student accommodation developer Unite Group – all of which are FTSE 250 index constituents.

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