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AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM falls by one-fifth

COVID-19 continues to cast a shadow over the whole of the stockmarket and AIM is unperforming the Main Market. That is not surprising at this point in the stockmarket slump. There were signs of recovery in late March, but it is not clear whether this is an ongoing trend.

AIM declined by one-fifth during March and by 18 March it was more than 31% down on the level at the end of February. There has been a significant recovery since then, but the FTSE AIM All Share index is still 28.8% lower than at the beginning of 2020. This year, the FTSE AIM 50 index has fallen by 30% and the FTSE AIM 100 by 29%.

Pharma companies dominate the risers in the past month. For the first month this year, Novacyt was not the best performer, although the share price was one-third higher by the end of March. Demand for its COVID-19 tests continues to grow and arrangements are being made to increase manufacturing capacity.

finnCap says that it still has a strong pipeline of M&A deals, although it admits that some of these will be pulled or delayed. Deals and flotations may not happen in the short term but AIM trading volumes continue to remain high.

Synairgen's COVID-19 trial

Synairgen was the best AIM performer in March and it used that rise in the share price to raise £14m at 35p a share. The share price continued to rise to 61p at the end of the month, having started the year at 5.875p.

The cash will be used to finance a phase II trial for SNG001 in COVID-19 and manufacture the drug, which has been shown to be safe for asthma and COPD patients. There should be £3m left in the bank at the end of 2020 even if no revenues are generated this year.

Synairgen has regulatory permission to undertake a phase II double-blind clinical trial in 100 patients suffering from COVID-19. The initial results should be available in the second quarter of 2020 – possibly by the end of May. There is potential for SNG001 to work as a treatment for COVID-19. It has shown a beneficial effect on SARS.

SNG001 has been identified by the World Health Organisation (WHO) as the only phase II/III therapy that can be inhaled. The trial conforms to WHO guidelines. Assuming success, there would then be a more extensive trial. It is conceivable that Synairgen could start generating revenues from SNG001 this year, according to finnCap.

In this issue

Dilutive fundraisings

Not all AIM companies have been as lucky as Synairgen (see page 1) when it comes to the timing of raising money through a placing. Hotel Chocolat raised £22m at 225p, compared with a share price of 407.5p at the beginning of March. This means that the fundraising is more dilutive to existing shareholders.

Open offers to existing shareholders that were launched in early March have not been taken up in full. Advanced battery materials developer Ilika raised just over £100,000 of the £2m it was seeking because the share price fell below the 40p offer price. It had already secured £14m so this will not be a problem. Natural pesticides developer Eden Research launched a placing and open offer at the end of February, which raised £10.1m at 6p a share and there was an open offer for a further £500,000. The open offer take-up was 58.1%. The open offer closed when the share price fell below 5p, although it has moved back above 6p.

The latest open offer is from City Pub Company, which has raised £15m from a placing at 50p a share and wants to raise up to £7m from an open offer. At the beginning of March, the City Pub share price was 185p so the fund raising is much more dilutive than it would have been one month ago.

Smoke detectors supplier Fire Angel Safety Technology has launched an open offer to raise £6.1m at 10p a share, compared with a share price of 15.25p at the beginning of March. In this case, the shares have been firmly placed and are subject to clawback by existing shareholders, which means that Fire Angel knows it will get the cash.

Bidstack boost

Bidstack is reaping the benefits of the lack of live sporting events as video games activity increases. Bidstack provides in-game advertising for video games and agencies are increasingly interested in taking advantage of the technology at a time when they cannot advertise in live sporting events because they have been cancelled due to COVID-19. This is bringing additional opportunities for Bidstack. It is still early days, but advertisers are becoming more aware of the potential for in-game advertising. Bidstack has reached an exclusive agreement with video games company Codemasters to supply advertising to a new title. The Bidstack share price has doubled from its low in the middle of March.

Trident commences royalty strategy

Standard list shell Trident Resources is becoming a mining royalty company by acquiring a royalty interest in Australia and moving to AIM. The strategy is to build up a royalty-based business with a diversified portfolio of interests. This provides exposure to commodity prices, but it is lower risk than ownership of a mining operation.

Trident joined the standard list on 1 October 2018 with an investing strategy to acquire a mining business. Adam Davidson became chief executive one year later. He was previously a member of Resource Capital Funds' investment team. Davidson was followed onto the board by Mark Potter who had been chief investment officer of fully listed royalty and streaming group Anglo Pacific. Trident had £3.29m in cash at the end of October 2019.

Trident's first acquisition is a 1.5% free on board revenue royalty over part of the Koolyanobbing iron ore operation in Western Australia. The mine has an established track record. Trident is paying a staged cash consideration of A$7m. The initial payment is A$4m and the other A$3m is payable one year after completion.

The most recent quarterly royalty was A$731,000. There are plans to increase production at the mine from an annualised rate of 11Mtpa to 15Mtpa by the end of 2020. Further royalty interests are set to be acquired in the near term. Some of these potential deals are under exclusivity agreements. Trident will also write new royalties. The overheads will be kept low so as much as possible of the additional royalty income drops through to profit. This will enable dividends to be paid.

A fundraising is planned at the same time as the move to AIM and the company will change its name to Trident Royalties. Trading in the shares was suspended at 17.5p. The flotation price was 20p.

Trading activity drives Numis growth

Broker Numis Corporation expects to report a 10% increase in revenues in the six months to March 2020. That suggest a figure of just over £61m.

The growth came in the equities division. There was an improvement in trading levels after the UK General Election.

This growth has continued in recent weeks as COVID-19 concerns have boosted trading volumes. Numis has also made gains on its trading book that are much better than for the corresponding interims last year.

Although investment bank volumes were still weak the average fee increased. This meant that there was a small decline in revenues. It is difficult to predict when there will be a recovery in deal numbers given the current uncertainty.

Numis has more cash than the £84.2m reported at the end of September 2019 and it also has an undrawn credit facility of £35m.

Numis continues to buy back shares. After the trading statement it bought a further 60,000 at 201p each.

■ **Arden Partners** says that its unaudited NAV at the end of February 2020 was £5.6m, which is equivalent to 19.2p a share. That has fallen from £6.06m at the end of October 2019, which included cash of £2.54m. The current Arden share price is little more than one-fifth of the NAV.

ADVISER CHANGES - MARCH 2020

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
DX (Group)	Liberum / finnCap	finnCap	finnCap	finnCap	03/03/20
Microsaic Systems	WH Ireland / N+1 Singer	N+1 Singer	N+1 Singer	N+1 Singer	03/03/20
Anexo Group	Berenberg / Arden	Arden	Arden	Arden	04/03/20
Seeing Machines	Stifel Nicolaus / Cenkos	Cenkos	Cenkos	Cenkos	04/03/20
Chaarat Gold	finnCap / Numis / SP Angel	Numis / SP Angel	Numis	Numis	05/03/20
Mirriad Advertising	Canaccord Genuity	Numis	Canaccord Genuity	Numis	05/03/20
Empresaria Group	N+1 Singer	Arden	N+1 Singer	Arden	06/03/20
Location Sciences	Peterhouse / Shore	Shore	Shore	Shore	06/03/20
Coro Energy	Canaccord Genuity / Mirabaud	Mirabaud / Turner Pope	Cenkos	Cenkos	09/03/20
Sumo Group	Investec / Zeus	Zeus	Zeus	Zeus	10/03/20
LiDCO	N+1 Singer	finnCap	N+1 Singer	finnCap	11/03/20
Crimson Tide	finnCap	Arden	finnCap	Arden	13/03/20
Cerillion	Liberum	Shore	Liberum	Shore	16/03/20
Accrol Group	Liberum / Zeus	Zeus	Zeus	Zeus	17/03/20
accesso Technology	Numis	Canaccord Genuity / Numis	Numis	Canaccord Genuity	18/03/20
Sabien Technology	Peterhouse	Peterhouse	Spark	Beaumont Cornish	18/03/20
Angling Direct	N+1 Singer	Cenkos	N+1 Singer	Cenkos	25/03/20
Infrastrata	Cenkos	Arden / Allenby	Cenkos	Allenby	31/03/20
Tungsten Corporation	Canaccord Genuity	Canaccord Genuity	Canaccord Genuity	Panmure Gordon	31/03/20

Self-isolation increases demand for digital payments services from Boku

Digital payments *www.boku.com*

Digital payments and fraud prevention services provider **Boku** is bucking the trend and processing volumes have grown at a faster rate in recent weeks. It is benefiting from more video streaming and greater playing time on video games as people stay in their homes. Finance director Keith Butcher has invested more than £90,000 in Boku shares since the 2019 results.

New streaming video user numbers started to accelerate in the second week of March. New games site users also grew but at not quite such a rapid rate. A lack of promotions appears to be behind a decline in growth in music streaming opt-ins.

Geographically, the growth in new users in European countries started in early March and there is also significant growth in the Middle East. Some Asian markets were around one month ahead of Europe and the growth rate is falling back.

Streaming user numbers are accelerating

There were no significant surprises in the 2019 figures. However, Boku reported underlying EBITDA of $7.4m, which was lower than the forecast. That is because $3.26m of one-off revenues are excluded from the figure. Adding them back produces the expected EBITDA.

The $6.7m loss by the identity division masked the underlying growth of the payments operation, where EBITDA doubled to $12.7m before the one-off revenues. Although the group made a pre-tax loss, the payments division moved from a loss of $2.99m to a pre-tax profit of $5.4m – helped by keeping the increase in overheads to a minimum.

BOKU (BOKU)	82p		
12 MONTH CHANGE %	-24.8	MARKET CAP £M	209.3

COVID-19 will undoubtedly hamper plans to reduce the loss of the identity division. New contracts are required to build up scale, but these are likely to be delayed. Losses are expected for at least the next two years.

In 2020, EBITDA is forecast at $10.5m. That reflects growth in profit for payments to $14.9m and a small decrease in loss at the identity division. Boku should be able to achieve an underlying pre-tax profit of $7.1m.

Kape benefits from security awareness

Cyber security software *www.kape.com*

Online security and privacy is increasingly important with more people working from home. **Kape** has strong recurring revenues from its cyber security software and the acquisition of PIA will be significantly earnings enhancing in 2020.

Kape's software products have 2.35 million users and the retention rate is 81%. Kape has confirmed that demand has increased in recent weeks, particularly for virtual private network products in North America and Europe.

In 2019, revenues increased by a quarter to $66.1m, even though there was a minimal contribution from recent acquisition PIA. Recurring revenues were $51.5m. Underlying pre-tax profit improved from $8m to $10.3m.

KAPE (KAPE)	168p		
12 MONTH CHANGE %	+85.6	MARKET CAP £M	262.7

The cash paid for PIA meant that Kape went from a cash positive position to net debt of $32m at the end of 2019. That debt figure could halve by the end of 2020, although analysts have a range of expectations for cash generation.

There should be cost savings of $3.5m-$4.5m achievable from the integration of PIA by the end of 2020. Forecasts have been maintained because any operational downside relating to COVID-19 is likely to be offset by better trading. N+1 Singer forecasts a near-trebling of pre-tax profit this year to $30.7m in 2020. If anything, there could be potential upside to current forecasts.

Non-executive director David Cotterell has bought 111,000 shares at 52p each.

US licensing deal for Alkindi replenishes cash pile at Diurnal

Hormonal treatments *www.diurnal.co.uk*

Hormonal disease treatments developer **Diurnal** has signed a deal in the US for its Alkindi treatment and that will provide cash for the company's needs for the next couple of years.

Diurnal has granted the exclusive US licence for Alkindi to Eton Pharmaceuticals in a deal that could be worth up to $52.5m. The upfront payment is $5m in the form of $3.5m in cash and the other $1.5m in Eton shares at $3.95 each. There will be another $2.5m paid at the time when commercial sales start. Then there is up to $45m payable dependent on achieving annual sales thresholds. The royalties will be low double digit to high teen percentages.

Alkindi is a hydrocortisone preparation for the control of adrenal insufficiency in children. Sales commenced in Europe in 2018 and it is being rolled-out to other countries. In the US, the FDA has accepted the new drug application for Akindi as a treatment for infants and children. Approval could be gained by the autumn and it will be the only licensed treatment specifically for children.

The upfront payment is $5m

Diurnal recently raised £11.2m at 32p a share. Net cash of £15.8m is forecast for the end of June 2020. This is expected to halve by June 2021. The cash will go towards the roll-out of Alkindi in Europe and the marketing of Chronocourt, which is a hormonal treatment for adults, ahead of European approval expected early next year. Licensing discussions continue for both drugs. Diurnal wants to secure a US partner for Chronocourt prior to further clinical trials.

DIURNAL (DNL)			30.5p
12 MONTH CHANGE %	+27.1	MARKET CAP £M	37.1

Diurnal is also developing DITEST, a native oral testosterone formulation. DITEST met the primary and secondary endpoints in the phase I trial in men with hypogonadism. Safety and tolerability were established and DITEST was shown to provide better testosterone level control than the current treatment. The next phase of clinical trials will probably be with a partner.

Finance director Richard Bungay has invested £4,038 at 37.45p a share.

NICE endorsement for Oncimmune diagnostic

Cancer diagnostics *www.oncimmune.com*

Oncimmune says the National Institute for Health and Care Excellence (NICE) has completed a positive review of EarlyCDT Lung. The study concluded that the test can help in the early diagnosis of lung cancer in high-risk patients. This endorsement will help to encourage the adoption of EarlyCDT Lung in the UK.

EarlyCDT could reduce the number of patients sent for PET scans and reduce exposure to CT scans, as well as improve indeterminate pulmonary nodules management.

ONCIMMUNE (ONC)			49p
12 MONTH CHANGE %	-43	MARKET CAP £M	31.1

Oncimmune's partner Biodesix has recently launched the EarlyCDT Lung test in the US under its own Nodify brand. The test is being rolled out in other countries around the world.

Liver cancer is a particular problem in China so this market will be the primary focus of the EarlyCDT Liver test, although it has been launched as a CLIA lab provisioned test in the US.

Oncimmune's German pharma services provider has signed a contract with Roche Pharmaceuticals, which has potential to generate recurring revenues. This part of the business will generate cash for the group.

Oncimmune is forecast to have net debt of £2.8m at the end of May 2020. A milestone payment of £7.2m ($9m) should become payable in 2020-21 and this will boost cash. Chairman Meinhard Schmidt and non-execs Geoffrey Hamilton-Fairley and Carsten Schroeder have been buying Oncimmune shares.

New fund provides additional opportunities for Litigation Capital Management

Litigation finance *www.lcmfinance.com*

Litigation Capital Management has an enviable growth record and floating on AIM in 2018 has provided the opportunity to grow more rapidly. Litigation finance is a sector that is growing around the world. Dispute numbers can increase in times of instability, particularly ones related to insolvency.

The company has its own funds to invest and it has raised US$150m for a third-party litigation fund, which includes its own contribution of US$14m. Litigation Capital acts as the manager of the fund and will receive performance fees – and outperformance fees if the fund is particularly successful.

Litigation Capital has three main investment strategies. The first is funding single cases, which has been the main part of the business in the past. The second strategy is to fund a portfolio of individual disputes. The third strategy is the acquisition of the underlying dispute, which normally relates to insolvency-based actions.

A new fund has raised US$150m

In the six months to December 2019, revenues from litigation projects doubled to A$24.1m, while underlying pre-tax profit jumped from A$2.7m to A$6.9m. Operating expenses are reducing as a percentage of the portfolio of disputes. No interim dividend was announced, but there could be one for the full year.

There was net cash of A$34.7m at the end of 2019. Along with the litigation fund, this provides plenty of cash to take on the funding of many more cases. There is currently a direct investment portfolio valued at A$96m.

LITIGATION CAPITAL MANAGEMENT (LIT)			65.4p
12 MONTH CHANGE %	-33.3	MARKET CAP £M	72.9

A full-year pre-tax profit of A$14.9m is forecast. The returns from litigation finance can be lumpy, but the increasing scale and the new fund should help to smooth them.

Since the interims, chief executive Patrick Maloney has paid nearly £72,000 for shares at 47p a share, while finance director Stephen Conrad has acquired 60,000 shares at 46p each for a total cost of £27,600.

Recurring revenues bolster Restore

Document storage *www.restoreplc.com*

Document storage, shredding and scanning services provider **Restore** changed its management team in 2019 but the business continued to grow. It has a strong base of contracted revenues in these uncertain times.

In 2019, Restore increased revenues by 10% to £215.6m, with organic growth of 5%, while underlying pre-tax profit was 13% ahead at £42.4m. The total dividend is one-fifth higher at 7.2p a share and there is no indication that the board has changed its mind about paying a final dividend. Net debt fell from £111.3m to £88.5m by the end of 2019. This will fall further depending on whether any acquisitions are made.

RESTORE (RST)			355p
12 MONTH CHANGE %	+2.9	MARKET CAP £M	443.4

The main profit growth was in the document storage operations, although the relocation business also generated significant profit growth.

Management is focusing on improving margins, partly through increasing scale. This will be helped by additional acquisitions. Cross-selling existing services is also important to growing the group.

Berenberg forecasts a decline in pre-tax profit this year following a 9% downgrade. Document storage is expected to be resilient, with nearly all its forecast revenues already contracted, but the other parts of the business are expected to make lower contributions. The forecast has to be tentative at this stage given the uncertainty around the effects of the COVID-19 virus. Capital expenditure is likely to be reduced. The decline in earnings in 2020 is expected to be made up for in 2021.

Yew Grove strong income foundations

Property investment *www.ygreit.com*

Dividend

Yew Grove REIT joined AIM and the Dublin market now known as Euronext Growth on 8 June 2018. It paid a fourth-quarter dividend of 0.96 eurocents a share for 2018. The quarterly dividends for 2019 total 4.89 eurocents a share plus a special dividend of 1.86 eurocents a share at the same time as the second-quarter dividend. The special dividend related to the proceeds of a lease surrender agreement in Cork Airport Business Park.

In 2019, cash generated from operations was €5.4m and the cost of dividends paid during the year was €5.1m.

Future dividends will depend on income generation from properties. In normal times, this would not be a problem, but there is a possibility that some tenants could get into financial difficulties. Even so, the fact that the tenants are predominantly government-related and large corporates means that this should be a limited problem.

Business

Yew Grove focuses on commercial properties in Ireland that have already been let to good quality tenants, such as government departments and organisations or larger companies. The target is to build a portfolio of high yielding, quality property assets worth up to €500m.

Management concentrates on commercial property outside of the central business district of Dublin. There is less competition for these assets.

At the end of 2019, the property portfolio was valued at €115.8m and occupancy was 92.5%. There is an average of more than eight years to lease expiry. Net rental income was €9.42m in 2019. NAV was 98.52 eurocents a share, down from 100.18 eurocents a share at the end of 2018. This figure was affected by a change in the rate of stamp duty from 6% to 7.5% in the second half of 2019. That reduced the valuation of all properties by 1.65%. There was a like-for-like increase of more than 15% in the valuation of industrial buildings in the portfolio.

In March, Yew Grove secured a €10.1m increase in its facility with Allied Irish Banks, taking it to €49.1m. This lasts until December 2021 and will be invested in additional properties.

There was an acquisition pipeline valued at €120m at the end of 2019 and since then €27.4m has been invested in six office buildings at Millennium Park in Naas. This takes contracted rent to €10.6m.

Political uncertainty about the next government in Ireland may hamper short-term progress, but Yew Grove has good-quality assets earning attractive yields.

The share price has held up better than those of most AIM companies. It fell by 9.1% over the month of March. The 5.6% yield helps to hold up the share price. The discount to NAV is 9%. Management could issue more shares to raise cash if it wishes to but may decide to hold off for the time being.

YEW GROVE REIT (YEW)	
Price	€0.8725
Market cap €m	97.3
Historical yield	5.6%
Prospective yield	N/A

Dividend news

Mpac, **Johnson Service Group**, **Nichols** and **Springfield Properties** have all cancelled their dividends. Capital equipment supplier Mpac was returning to paying dividends, but concern about order intake and investment decisions by clients mean it has decided not to pay the 1.5p a share final dividend. Johnson says demand for linen services in the hotel and catering sector has been weakening, although workwear demand has held up. Management is in talks with banks about increased facilities and it is not paying the final dividend of 2.35p a share. Soft drinks maker Nichols will save £10.4m by not paying a final dividend. Housebuilder Springfield will save £1.4m and it says that it will consider whether to pay a final dividend when it announces full-year results.

Some companies are still paying dividends they announced early in March. **Sureserve** has confirmed that it will pay the 0.5p a share final dividend. Net debt was £7.4m at the end of September 2019, but the energy and compliance services provider expects this to fall to £2.4m this year before moving into a net cash position. The core safety compliance operations are deemed to be essential, so they continue to operate. Shore Capital still forecasts an improvement in underlying pre-tax profit from £8.3m to £10m in 2019-20, although this depends on it not getting any more difficult to provide services.

Monoclonal antibodies developer **Bioventix** has announced a one-fifth increase in interim dividend to 36p a share, which will cost around £1.8m. Interim revenues were 21% ahead at £5.3m, while pre-tax profit was 31% higher at £4.3m. There was cash of £5.5m. Vitamin D antibody sales grew by a quarter and there were also contributions from newer products. Demand for some of the company's antibodies could be reduced as hospitals focus on COVID-19 testing and second-half revenues may be flat.

Expert view: Registrars

Remote working is Business As Usual at Avenir Registrars

By Hardeep Tamana

A lot has changed over the past month, as governments, businesses, families and individuals rework how they operate on a day-to-day basis as we all do our bit in an attempt to combat the COVID-19 pandemic. Business continuity planning documents have been dusted off and those rehearsed protocols to move to remote working activated, but thankfully such processes are nothing new for the team at Avenir Registrars.

When we launched the business, we did so by putting electronic securities, rather than the physical equivalents, at the heart of our processes. With the Central Securities Depository Regulation (CSDR), which continues to trickle out, ultimately set to result in all securities registries migrating into an electronic format, this was an easy decision designed to future proof our business.

Whilst we still have the ability to produce and hold physical securities certificates when asked to do so by clients, the electronic-first principle has allowed us to build a resilient, virtual business.

Historically, the team had been working remotely, convening one day a week in the London office. As a result, the move to home working has been truly seamless, so whilst we now have to share our ideas across a conference call rather than around a table, no time or productivity has been lost in adapting to what seems as if it will be the new normal for a significant length of time.

Virtual registrars

Beyond our inbuilt preparedness for this extended period of remote working, there have been many other benefits of building a 'virtual registrars'. From giving our issuers' directors unparalleled real time access to their securities registry, through to removing a number of peripheral business overheads, for the last five years our clients have been able to take advantage of a high streamlined and cost-efficient operation.

What's more, our partner, Avenir Technology, has developed securities depositories, registries and other post-trade settlement systems for equity, commodity and derivatives exchanges across the globe. With their in-depth understanding of market infrastructures, our processes have been crafted to perfectly bridge that gap between issuer and register.

Building our processes around electronic securities has also enabled us to devise a series of self-service interfaces, all of which are supported by our highly skilled team as and when necessary.

> Electronic securities are at the heart of our processes

In practice, many straightforward tasks can be completed without requiring the manual intervention of the registrar, so our approach has improved the user experience and increased operation resilience by taking unnecessary steps out of the chain.

Our functionality includes authorised directors being able to interrogate the securities register in real time, asset owners updating their own personal details such as changes of address, whilst brokers can validate ownership without having to resort to a time-consuming, premium-rate phone call.

Doing it differently

Over the past five years, Avenir has shown that registry functions can run differently. Being nimble in how we do business means we can take a truly flexible approach in how we work with issuers. A key part of the Avenir mantra is that registrars should never be considered a one-size-fits-all approach.

Smaller companies and issuances have very different requirements to the blue chips and it's vital, if public markets are to be maintained and prospect, that issuers have viable options when it comes to finding genuinely right-sized solutions. And let's not forget the high costs that come with supporting a large physical office and teams of staff doing tasks which can, using modern technology, be automated.

Having built proprietary systems from scratch, rather than relying on legacy processes means that Avenir can deliver registry solutions both efficiently and cost effectively – two attributes that have never been more important as in the current climate.

We hope that your transition to remote working has been without any major headaches. As some clarity starts to emerge over how we need to act in the weeks and months that lie ahead, we would be more than happy to explain to you what Avenir can do for your clients or your own business directly.

For more details, please visit our website at www.avenir-registrars.co.uk or drop us a line at info@avenir-registrars.co.uk to discover what the Avenir Way can do for you.

HARDEEP TAMANA is Managing Director of Avenir Registrars.

Director dealings after the AIM decline

A sharp fall in share prices in the first half of March has sparked buying by some AIM company directors.

AIM company directors are spotting opportunities to acquire shares at knockdown prices. They still have to be careful because of continuing uncertainty, but it indicates their confidence in the business when they add to their shareholding.

The table on page 10 includes some of the director deals announced from 16 March onwards; where an individual has made more than one purchase they have been aggregated. There have been more than one hundred director share buys announced in the second half of March and that does not include exercising options. Here are some of the most interesting.

SMS

The biggest total investment by a director since the middle of March has been by Smart Metering Systems chief executive Alan Foy. He has invested nearly £3m following the sale of a portfolio of meter assets that improved the balance sheet of SMS and the 2019 results announcement. He owns 5.16% of the company. Non-executive director Miriam Greenwood bought £20,000-worth of shares.

The sale of meter assets to Equitix Investment Management raised £282m net of expenses, which puts the meter installer and assets owner in a net cash position. At 660p, the SMS share price is above the level it started the year.

accesso

Steve Brown has returned to the chief executive role at ticketing and queuing technology developer accesso Technology after there was no adequate bid for the company – he previously held the position between 2016 and 2018. He invested more than £208,000 at 137.8p in the middle of March. In early February, a few days after being reappointed, he had spent £772,000 on shares at 390p each. He did not have shares before that purchase and his stake is 2.4%.

To put this in perspective, at the end of 2016 Brown generated £4.75m from the sale of 500,000 shares at 950p each.

AB Dynamics

AB Dynamics founder Tony Best had been cutting his shareholding as he reduced his time with the track testing and automotive safety services provider and planned for retirement. Even so, he has invested £85,500 at 950p a share. Chief executive James Routh invested nearly £20,000 at 901.66p a share.

The share price was over £23 earlier this year and last September Best raised £3.575m at £27.50 a share, having raised £1.5m at £14.99 a share the year before. Best still owns 26.3% of AB Dynamics. Trading up until the end of February 2020 was as expected, but the second half may not be as good as originally hoped. There is £35.2m in the bank.

Dart

The Dart share price has been one of the worst performers in the AIM slump and it fell a further 55% in March. Chief executive Steve Heapy and finance director Gary Brown each bought 20,000 shares at 305.7p each. The each invested £61,140. The share price has recovered to 551p.

Airline and tour operator Dart suspended Jet2.com flights until early May and the short-term outlook is bleak. Trading had been going well, with Summer 2020 holiday bookings ahead of the same time last year. Whether people will be able to go on the holidays is another matter. On the plus side, there was cash in the bank of £1.5bn on 18 March, although there is also debt financing for aircraft.

DX

The performance of parcel and freight delivery company DX (Group) has been turned around by new management and the recovery was in line with expectations. COVID-19, though, could hamper that progress. That has not stopped executive chairman Ronald Series and chief executive Lloyd Dunn buying shares. They have invested more than £86,000.

Interim revenues improved from £157m to £170.1m and the freight division loss was sharply reduced. Price rises were put in place and they were accepted by customers. DX is still on course to return to profit this year, but this will depend on how long the current restrictions are in force.

EMIS

Healthcare IT software provider EMIS chief executive Andrew Thorburn spent £76,734 at 767.34p a share following the publication of 2019 results. EMIS improved continuing revenues by 7% to £159.5m and earnings per share were 14% ahead at 51.4p. Net cash nearly doubled to £31.1m, helped by a non-core

disposal. Strong recurring revenues mean that EMIS is in a strong position to weather any short-term disruption. The share price has bounced back to 1040p.

Kestrel

Kestrel has investments in many AIM companies and it has representatives on some of those boards. Two of those companies are geospatial software provider IQGeo and online conveyancing provider ULS Technology, so its purchases are included in director dealings. A further £118,674 has been invested in ULS at an average share price of 46.9p, while £111,386 was invested in IQGeo at an average price of 60.4p.

IQGeo is losing money but it had £13m in the bank at the end of 2019 and this gives it plenty of headroom as it builds up its client base. IQGeo has signed an expanded contract with Tokyo Electric Power Company, which is worth £1.8m over three years.

The ULS share price has continued to fall because of the poor outlook for the housing market.

Greatland Gold

Although most of the share buys have been after the share price has fallen, Gervaise Heddle's purchase comes after a raft of positive news has pushed up the share price of Greatland Gold. He bought two million shares at 2.7728p each, taking his stake to 1.5%. The share price ended the month at 4.7p.

Newcrest is making good progress with the Havieron project in Western Australia, where it has already earned a 40% interest that can be increased to 70% with further exploration spending. A maiden resource is expected by the end of this year.

Argentex

During March, Argentex non-exec Henry Beckwith invested more than £81,000 in shares at an average price of 107.2p. Argentix says that there has been strong client demand for foreign exchange despite the restrictions on travel.

SELECTED AIM DIRECTOR DEALINGS FROM 16 MARCH

COMPANY	CODE	DIRECTOR	ROLE	PRICE (P)	VALUE £M
AB Dynamics	ABDP	James Routh	Chief executive	901.66	19,954
AB Dynamics	ABDP	Tony Best	Chairman	950	85,500
accesso Technology	ACSO	Steve Brown	Chief executive	137.8	208,078
Argentex	AGFX	Henry Beckwith	Non-exec	107.2	81,248
CVS Group	CVSG	Richard Connell	Chairman	777.1	99,474
Dart Group	DTG	Gary Brown	Finance	305.7	61,140
Dart Group	DTG	Steve Heapy	Chief executive	305.7	61,140
DX (Group)	DX.	Ronald Series	Executive chairman	7	49,000
DX (Group)	DX.	Lloyd Dunn	Chief executive	7.25	37,498
EMIS	EMIS	Andrew Thorburn	Chief executive	767.34	76,734
GB Group	GBG	David Rasche	Non-exec	518.86	99,102
Greatland Gold	GGP	Gervaise Heddle	Chief executive	2.7728	55,456
Griffin Mining	GFM	Adam Usdan	Non-exec	32.4	55,500
IQGeo	IQG	Max Royde/ Kestrel	Non-exec	60.4	111,386
Jadestone Energy Inc	JSE	Cedric Fontenit	Non-exec	32.9429	65,886
Jadestone Energy Inc	JSE	Paul Blakeley	Chief executive	35	35,000
Origin Enterprises	OGN	Sean Coyle	Finance	€ 1.90	€ 95,000
Smart Metering Systems	SMS	Alan Foy	Chief executive	602.8	2,949,344
ULS Technology	ULS	Oliver Scott/Kestrel	Non-exec	46.9	118,674
Volex	VLX	John Molloy	Chief operating officer	104	187,994

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Consumer	27.8	15.9
Industrials	15.8	16.2
Healthcare	12.8	10
Technology	12.4	11.3
Financials	10.7	12.6
Energy	6.2	11.3
Property	5.7	3.3
Basic materials	5.3	13.9
Telecoms	1.9	2.4
Utilities	1.2	1.4

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	682.29	-25.6
FTSE AIM 50	3839.03	-25.2
FTSE AIM 100	3504.61	-26.9
FTSE Fledgling	6581.9	-29
FTSE Small Cap	4262.48	-22
FTSE All-Share	3107.42	-21.9
FTSE 100	5671.96	-22.1

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	160
£5m-£10m	91
£10m-£25m	161
£25m-£50m	125
£50m-£100m	114
£100m-£250m	106
£250m+	90

KEY AIM STATISTICS

Total number of AIM	847
Number of nominated advisers	28
Number of market makers	48
Total market cap for all AIM	£93.6bn
Total of new money raised	£116.2bn
Total raised by new issues	£45.4bn
Total raised by secondary issues	£70.7bn
Share turnover value (Feb 2020)	£12.7bn
Number of bargains (Feb 2020)	2.1m
Shares traded (Feb 2020)	114.1bn
Transfers to the official list	191

TOP 5 RISERS OVER 30 DAYS

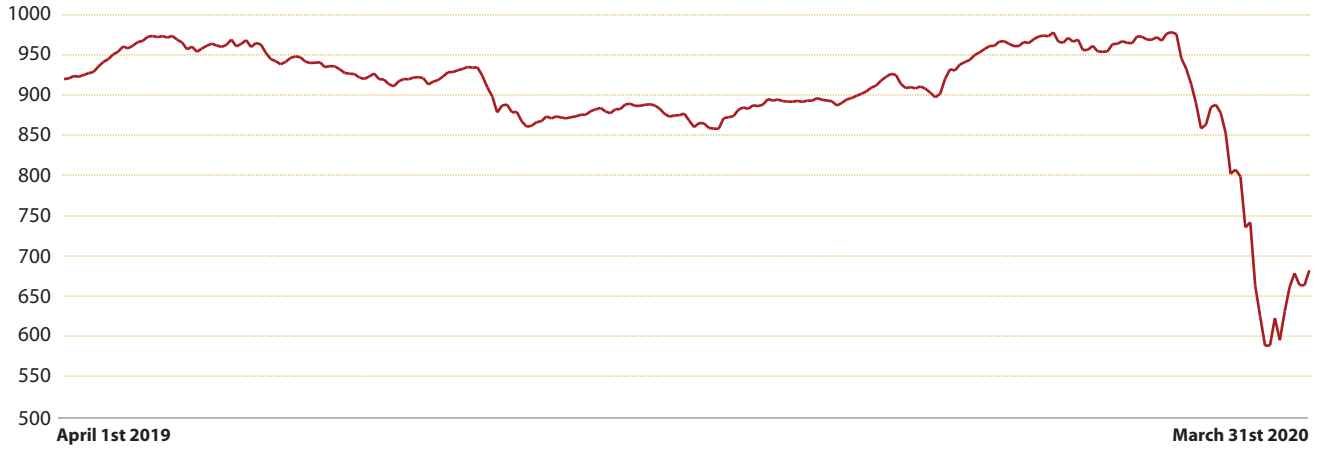
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
All Active Asset	Financial	0.7	+300
Synairgen	Healthcare	61	+273
Genedrive	Healthcare	28	+211
Richland Resources	Mining	0.21	+100
Redx Pharma	Healthcare	15	+93.5

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
ValiRx	Healthcare	0.04	-99.5
Solo Oil	Oil and gas	0.575	-76.3
Reach4Entertainment	Leisure	0.3	-72.7
Bonhill	Media	7.5	-71.7
Arden Partners	Financial	4	-71.4

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 31st March 2020, 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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