EDISON

Cenkos Securities

Strong activity and lean cost base

Company outlook

Financial services

Cenkos's first half results demonstrated the benefits of its flexible operating model and strength of its client relationships. While challenges related to COVID-19 are set to continue, Cenkos's focus is on growth companies and its fund-raising year-to-date has had a greater emphasis on corporates financing M&A and growth opportunities rather than for defensive purposes. This should prove more sustainable although, as always, the timing of transactions in the encouraging pipeline reported remains uncertain.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/16	43.7	5.06	4.6	6.0	10.9	12.0
12/17	59.5	10.00	13.2	9.0	3.8	18.0
12/18	45.0	3.24	4.4	4.5	11.4	9.0
12/19	25.9	0.15	(0.2)	3.0	N/A	6.0

Note: *PBT and EPS are reported with EPS on a fully diluted basis. Uncertainty over the market outlook means we are not publishing forecasts.

H120: Corporate finance to the fore

Cenkos reported first half revenue 21% ahead of H119 at £12.9m. Corporate finance contributed £9.2m (+48%) while Nomad, broking and research were down 6% (at £3.2m) on a smaller corporate client base (97 versus 110) and Execution achieved continued trading gains but was down 52% (to £0.4m). Lower administrative costs (-18%) limited the overall increase in underlying costs to 2% and the result was an underlying profit of nearly £2m compared with a marginal loss in H119. Restructuring costs and a one-off, short-term incentive plan cost of £1.1m left pre-tax profit at £0.75m (£0.2m loss). The balance sheet remains strong with cash of £22.4m and a capital surplus of £15.8m over the Pillar 1 requirement. The interim dividend was held at the same level as the 2020 final of 1p compared with the H119 dividend of 2p.

Background and outlook

The fluctuating news relating to COVID-19 and its economic impact continue to mean heightened uncertainty over the market background and hence potential activity levels for Cenkos. However, the company has continued to be active since the half-year end and reports an encouraging pipeline. It is also benefiting from cost reduction measures taken last year and in H120, which will generate ongoing annual savings of £3m and £0.8m per annum respectively.

Valuation

Cenkos trades on a price to book multiple of about 1x, well below its 10-year average of 2.2x. Using an ROE/COE model and assuming a cost of equity of 10% and long-term growth of 2% suggests that at the current share price the market assumes a sustainable return of 10.3% for Cenkos. This is ahead of the current relatively subdued level but well below the five-year average of 17%, and is similar to the 11% that could be achieved at the 2019 revenue level once full cost savings are in place and one-off costs fall away.

21 October 2020

Price	**50p**
Market cap	**£28m**

Net cash (£m) at end June 2020	22.4
Shares in issue	56.7m
Free float	64%
Code	CNKS
Primary exchange	AIM
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	6.4	7.5	6.4
Rel (local)	7.7	12.2	27.0
52-week high/low		65p	32p

Business description

Cenkos Securities is a leading UK securities business that acts as nominated adviser, sponsor, broker and financial adviser to companies across all sectors and stages of growth. Since inception in 2005 it has raised more than £20bn in equity capital for corporate clients, which stood at 97 at the end of June. The business has an approach where fixed costs are contained and variable rewards are closely geared to revenues.

Next events

FY20 trading update (estimated) February 2021

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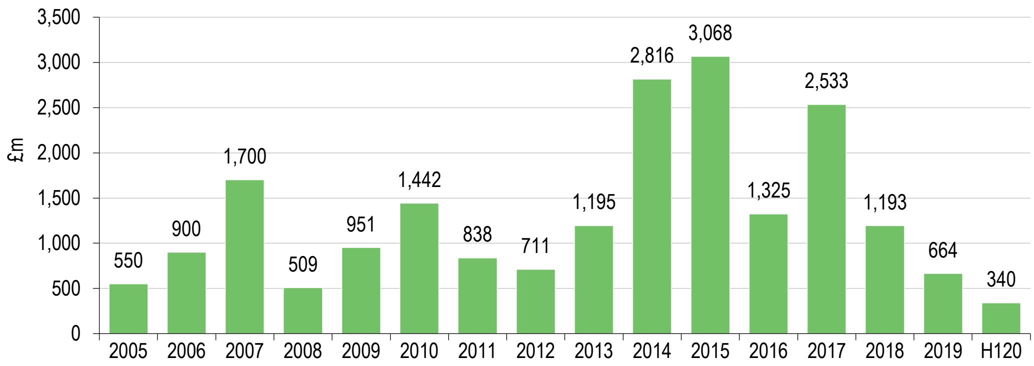
Edison profile page

Cenkos Securities is a research client of Edison Investment Research Limited

Securities firm focused on growth companies and funds

Cenkos is an independent specialist institutional stockbroking company with offices in London and Edinburgh, with 89 employees at end H120. It provides an integrated service as a nominated adviser, sponsor and financial advisor to c 97 client companies with a focus on growth companies and investment funds listed or planning to list on the London Stock Exchange Main and AIM markets. At its inception in 2005, it brought together a number of teams of experienced market professionals who provided the company with a strong network of institutional and corporate relationships, a characteristic that has been developed since then. This has enabled Cenkos to establish a strong track record for fund-raising, including a number of larger transactions in addition to a flow of deals for smaller and mid-cap clients (see Exhibit 1). Cenkos itself was listed on the AIM market in 2006.

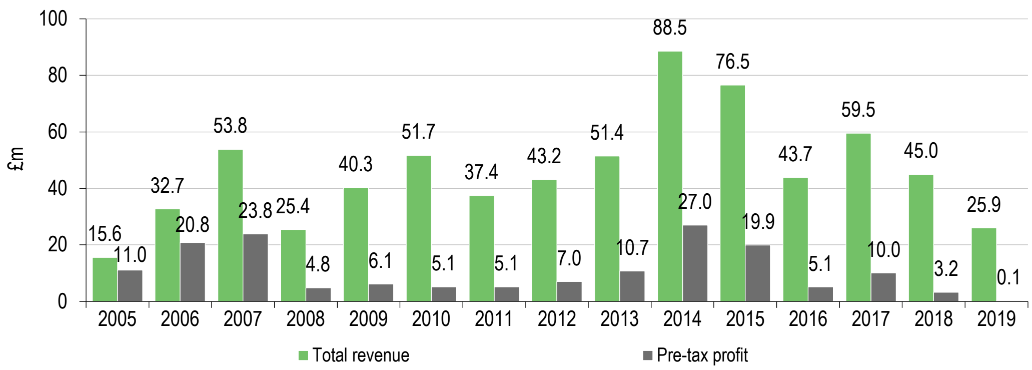
Exhibit 1: Cenkos funds raised on behalf of clients since inception



Source: Cenkos

The group seeks to maintain long-term relationships with its clients through a focus on understanding their financing needs, maintaining continuity of key staff and delivering good outcomes for them. An indicator of the success of this approach is that, as at the end of 2019, 45% of its corporate clients had been with the firm for more than five years.

Exhibit 2: Cenkos revenue and profit record



Source: Cenkos, Edison Investment Research

A feature of the business since its formation has been a flexible business model that has rewarded and helped retain teams while containing costs in periods of weaker corporate activity. This has protected the profitability of the business through market fluctuations, as shown in the chart of revenue and pre-tax profit above. The regulatory environment has evolved and the group's remuneration policy reflects this, with the aim being to align discretionary variable remuneration with the long-term success of Cenkos rather than simply tracking yearly performance. The company has still demonstrated substantial flexibility of overall costs in response to revenue generation and acted in 2019 and H120 to review and reduce ongoing fixed costs by £3m and £0.8m enhancing its ability to trade through fluctuating market conditions.

Our next table shows Cenkos's **revenue by segment** over the last four and a half years. Corporate finance has accounted for over 70% of the total on average, peaking at 74% in 2017. This income is subject to the timing and size of corporate transactions and variations in the level of these transactions largely explains the substantial moves in overall revenues shown in Exhibit 2, above. Nomad and broking fees are relatively stable given their recurring nature, subject to changes in the number and mix of clients, but research income, already under pressure, was affected by MiFID II implementation, reducing the overall contribution from nomad, broking and research over the period. Finally, execution income is affected by the impact of market moves on the value of shares held as a market maker and shares received in lieu of fees; between 2016 and 2019 it generated average income of £4.3m.

Exhibit 3: Revenue analysis 2016–H120

€000s	2016	2017	2018	2019	H120	% over period shown
Corporate finance	29,720	44,030	32,734	17,364	9,216	71
Nomad, broking and research	10,514	8,222	7,824	6,582	3,244	19
Execution	3,509	7,252	4,395	1,970	445	9
Total revenue	**43,743**	**59,504**	**44,953**	**25,916**	**12,905**	**100**

Source: Cenkos, Edison Investment Research

The group has straightforward **strategic objectives**, reflecting its role and the existing and prospective client base:

- Grow the revenue base by retaining existing clients and winning new ones; to this end, Cenkos fosters a culture of putting client interests first in all its activities to ensure good client outcomes.
- Maintain a strong team culture to attract and develop talented staff.
- Disciplined approach to operational efficiency. Fixed costs are held at a low level to mitigate the effect of changes in the level of market activity.
- The strong balance sheet also helps mitigate the impact of market swings and may be used to invest in the business where appropriate to support growth.
- Increase shareholder distributions. The group aims to pay a stable dividend, subject to capital and liquidity requirements and the prevailing market conditions and outlook. The group also seeks to repurchase shares to match unvested share awards and manage the issued share capital. Since admission to AIM, Cenkos has transferred £114.6m of cash to shareholders through share buybacks and dividends (not including the H120 interim dividend).

Management

Details of group board members are given on page 10. The group board currently comprises three non-executive directors and two executive directors: Jim Durkin (CEO) and Julian Morse (head of Growth Companies). The non-executive chairman, Lisa Gordon, took up her position in June 2020 and brings more than 25 years of experience in executive and non-executive board roles in quoted and private companies. Julian Morse also formally joined the board in May 2020; he is head of the Growth Companies team and is one of the founding members of the team, having joined Cenkos in 2006.

The majority of the management team joined the company at or around the time of its formation and have substantial experience in the securities industry, providing the business with continuity and a range of well-established business relationships.

H120 results show strength in corporate finance

In a period characterised by initially stronger corporate activity post-general election and then the impact of COVID-19, Cenkos generated a strong increase in revenue compared with a weak H119. It also moved from loss to profit year-on-year and delivered a sequential increase in profits despite a reduction in revenue versus H219. Exhibit 3 provides a summary of the H120 results compared with H119 and H219 and we comment on the main features below, with comparisons against H119 unless stated.

Revenue increased by 22%, driven by Corporate finance where the gain was 48%. The level of funds raised for clients (£340m) was similar to the prior year and the number of transactions (11) was the same, indicating a richer mix of mandates in terms of fee generation in the current year.

While some of the fund-raisings were to support companies' balance sheets during the pandemic, more were to raise funds to take opportunities for acquisition and expansion. Reflecting this, the average price discount achieved for placings in the period was 5.4% (compared with the previous day's share price).

Nomad, broking and research revenue fell 6%, reflecting a lower client count. There was a net loss of three clients since the year end, comprising eight new clients and 11 departures, five of which were delisted or taken over. Execution revenue fell 52%. This reflected the sharp fall in equity market levels as the pandemic took hold. Even so the execution business still generated gains, making markets in 185 stocks, and maintained a top three market share in 80% of client stocks.

Exhibit 4: H120 results summary

£000 unless stated	H119	H219	H120	Change y-o-y (%)	Sequential change (%)
Revenue					
Corporate finance	6,245	11,119	9,216	47.6	-17.1
Nomad, broking and research	3,459	3,123	3,244	-6.2	3.9
Execution – net trading gains	921	1,049	445	-51.7	-57.6
Total revenue	**10,625**	**15,291**	**12,905**	**21.5**	**-15.6**
Staff costs	(6,368)	(9,437)	(7,392)	16.1	-21.7
Administrative expenses before restructuring and STIP costs	(4,336)	(4,379)	(3,539)	-18.4	-19.2
Underlying profit (loss)	**(79)**	**1,475**	**1,974**		**33.8**
Restructuring costs	(172)	(1,109)	(658)	282.6	-40.7
STIP			(500)		
Operating profit	**(251)**	**366**	**816**		**123.0**
Investment income - interest income	65	41	23	-64.6	-43.9
Finance costs	(10)	(66)	(86)	760.0	30.3
Profit before tax	**(196)**	**341**	**753**		**120.8**
Tax	(5)	(96)	(163)		69.8
Profit after tax	**(201)**	**245**	**590**		**140.8**
Earnings per share (p)	(0.6)	0.4	1.1		175.0
Dividend per share (p)	2.0	1.0	1.0	-50.0	0.0
Other metrics					
Revenue per head	92	144	140	52.5	-4.1
Corporate client base (number)	110	100	97	-11.8	-3.0
Funds raised for clients (£m)	343	321	340	-0.9	5.9
Number of transactions	11	14	11	0.0	-21.4
Non-corporate finance revenue to fixed costs (%)*	40	40	42		
Cash at bank (£m)	14.7	18.3	22.4	52.4	22.4
Regulatory surplus over Pillar 1 capital requirements (£m)	15.9	13.5	15.8	-0.6	17.0

Source: Cenkos Securities, Edison Investment Research. *Fixed costs estimated in this calculation.

Staff costs, before restructuring and short-term incentive plan (STIP) costs, increased 16% y-o-y reflecting higher variable costs on increased pre-bonus profit, partly offset by a lower fixed cost following headcount reductions (staff numbered 95 at end 2019 versus 114 at the beginning, falling to 89 by the end of H120).

Administrative costs, again before restructuring and STIP costs, fell by 18% y-o-y and 19% sequentially, reflecting the review of fixed costs undertaken in 2019.

These moves resulted in an **underlying profit** of nearly £2m in H120 compared with a small operating loss in H119. Importantly this was also ahead of the profit of £1.5m recorded in H219 despite lower revenues sequentially, a result that reflected the benefit of the cost reduction measures undertaken.

The **review of overheads** initiated in 2019 resulted in restructuring costs totalling £1.3m, of which £1.1m fell into the second half. As noted above, there was a headcount reduction of 19 during the year and staff and other costs were expected to be £3m lower in 2020 as a result. Further cost reduction measures were taken in H120 with the headcount falling by six to 89. Restructuring costs were nearly £0.7m in the period and the ongoing cost benefits are put at £0.8m in a full year.

Another element of one-off cost in H120 was the **STIP**, which was put in place in April to retain and incentivise staff. This was funded by shares already held in the employee benefit trust (the net asset value of the company had already been reduced by the purchase of these shares with the cost taken straight to equity). The shares vest on the first and second anniversaries of the scheme (April 2021 and 2022). While the grant of the shares is one-off by nature the cost is accrued over the period from the beginning of 2020 to April 2022 with a charge of £0.5m for H120. Based on this charge and the accrual periods we estimate the total fair value of the scheme is circa £1.7m with £1m of this charged to the P&L in 2020, approaching £0.6m in 2021 and the balance in H122.

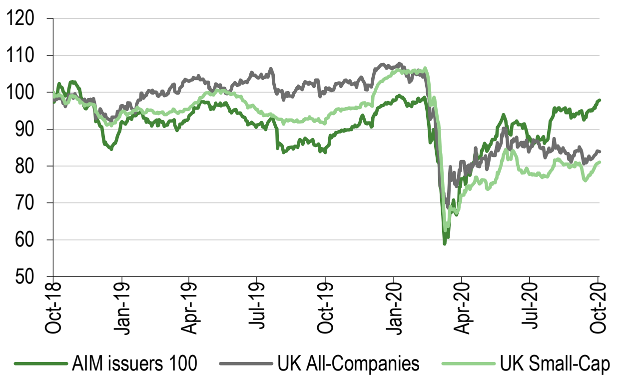
After the restructuring and STIP costs and the relatively small investment income and finance cost items, H120 **pre-tax profit** was £0.75m compared with a loss of £0.20m in H119 and a profit of £0.34m in H219.

The **interim dividend** was 1p compared with 2p in H119. It is in line with the 1p final dividend for 2019, which was announced in April at a time when the group faced similar circumstances, with an encouraging pipeline but an outlook that is clouded by COVID-19. In the next section we provide further detail on the market background and outlook.

Background and outlook

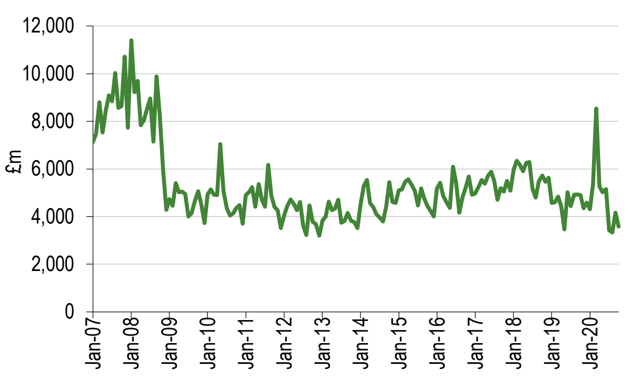
Exhibit 5 sets out the recent equity market trends showing the initial impact of COVID-19 in March followed by a recovery. The CBOE UK Alternative 100 (AIM issuers) index has staged the most marked recovery and is marginally up year to date, while the all-companies and small companies indices are down 21% and 22% respectively; 78% of Cenkos corporate clients were listed on AIM at end 2019.

Exhibit 5: UK equity indices



Source: Refinitiv, CBOE indices

Exhibit 6: LSE order book, average daily value traded

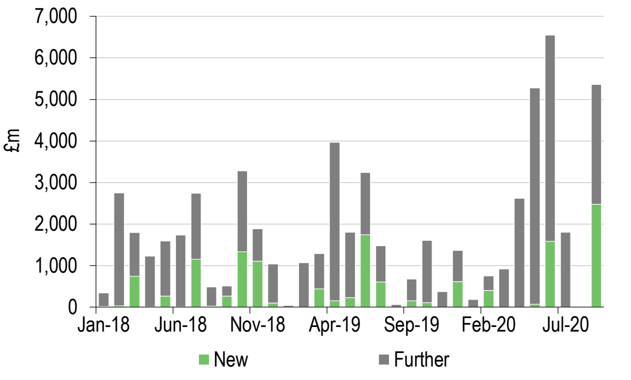


Source: London Stock Exchange (Main Market)

Exhibit 6 shows trading activity levels (here for the Main Market) showing that the volatility-induced spike in transactions was both sharp and short, when compared with the global financial crisis.

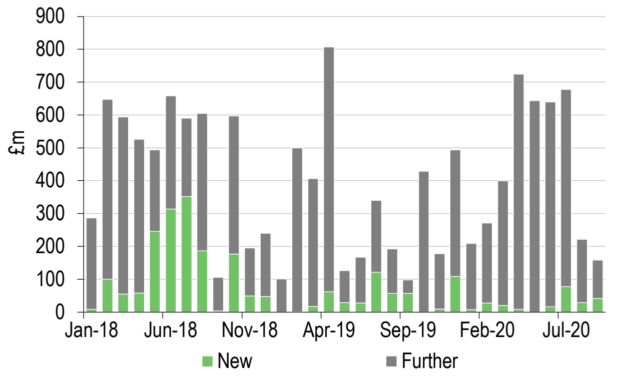
The next two charts look at trends in equity issuance on the London Stock Exchange Main and AIM markets. For both markets, activity year to date has been dominated by further issuance with IPO numbers restricted by the market background. Looking at the Main Market first, total issuance in the first nine months of the year increased by 72% y-o-y reflecting in particular fund-raising undertaken to support balance sheets as the pandemic and countermeasures made an impact. In September there was a bounce back in new issuance and for the third quarter as a whole total issuance increased by over three times compared with Q319. For AIM the equivalent figures are positive but the swings in activity have been less dramatic. Total issuance for the first nine months was 44% ahead, while Q320 versus Q319 has seen a 68% increase.

Exhibit 7: Main Market money raised, new and further



Source: London Stock Exchange

Exhibit 8: AIM money raised, new and further



Source: London Stock Exchange

The next table shows selected transactions undertaken by Cenkos year to date, as shown on its website. In addition to these transactions we note that the completion of the acquisition of Share plc, a Cenkos corporate client, took place just after the half-year end. The table shows the continuation of activity following the half-year end and in its outlook comments the group refers to an encouraging current pipeline and indicates that it is continuing to win new clients.

Exhibit 9: Selected company transactions 2020

Month	Company	Transaction	Consideration (£m unless shown)
February	Brickability	Placing for Promethean	c 20.0
	FRP Advisory	IPO	70.0
March	Eden Research	Placing, subscription and open offer	10.0
	Arena	Placing and subscription	9.5
April	Intelligent Ultrasound	Placing	5.2
May	Providence Resources	Placing and subscription	2.7
	Diversified Gas & Oil	Placing and subscription	69.4
	Rosslyn Data Technology	Placing	7.3
June	Diaceutics	Placing	20.5
July	Inspiration Healthcare	Placing	17.0
	Landore Resources	Placing	2.8
	Marlowe	Placing	40.0
	InfraStrata	Placing	9.0
August	Pelatro	Placing	2.1
September	Salt Lake Potash	Placing	US$98.5m
October	Calnex Solutions	Placing	22.5

Source: Cenkos Securities

In terms of the prospective market background, the progression of the pandemic and related restrictions is a prominent source of uncertainty, while the outcome of the US presidential election and progress on Brexit negotiations are other potentially important influences on market sentiment.

For Cenkos itself, continued benefits from the cost reduction measures undertaken last year and in H120 will be positive factors irrespective of the level of revenues achieved.

Sensitivities

We have already mentioned a number of sensitivities for Cenkos's business and here provide a brief summary of some key factors to monitor.

- Market conditions, the outlook for which remains particularly uncertain currently.
- The risk of losing key staff is a consideration for Cenkos, as for its peers. Cenkos's flexible remuneration structure (reinforced by the recent STIP) and fostering of team culture should be helpful here.
- Reputational risk is important for all stockbroking businesses and Cenkos seeks to mitigate this through encouraging the right culture and the operation of a multi-disciplinary new business committee.
- Regulatory change is a continuing feature for capital markets businesses, which entails additional costs associated with adapting IT systems and, in some cases, employing additional staff.

Financials

Given the continuing uncertainty over prospective revenues, we do not include estimates in this note. However, it is useful to highlight the potential impact of the measures to contain fixed costs set out earlier. The underlying administrative costs excluding staff costs reported for H120 of c £3.5m (Exhibit 4) point towards an annual run rate of c £7m. Following the further headcount reduction in the first half, we would estimate an annual run rate of fixed staff-related costs of nearly £10m, giving a total run-rate underlying fixed cost figure of c £17m per annum. Ignoring the accrual of STIP costs (£1m in 2020 and approaching £0.6m in 2021, we estimate) and restructuring costs (£0.7m H120), this would mean that annual revenue would have to fall toward £17m before an underlying loss was incurred. Alternatively, if we assume the same level of revenue as reported for 2019 (£25.9m), use £17m of fixed costs and make assumptions about the level of variable compensation then this would give an underlying profit of over £3.0m and a return on equity (ROE) of approximately 11% (all pre-STIP/restructuring).

Looking briefly at H120 cash flow, operating cash flow before working capital movements and tax was £2m. Working capital movements are typically volatile between individual periods for stockbroking firms, reflecting the timing of fees, bonus payments and market-making positions (although the net exposure here is closely controlled). In the first half there was a positive movement of £3m, while in the four years to 2019 movements averaged out and there was a marginal net negative movement on average. There was little movement in investing activities and under financing activities there was an outflow of £0.5m for dividends, largely offset by a lease incentive received and £0.9m was spent on share buybacks. This left cash at £22.4m versus £18.3m at end 2019.

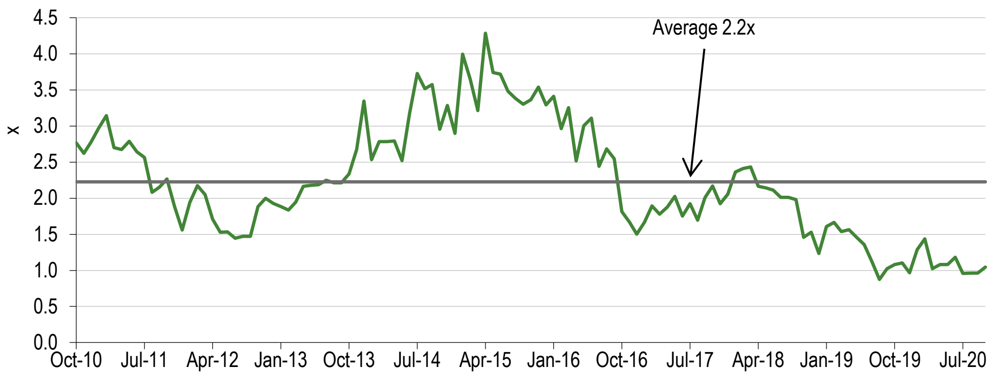
On capital, as shown in Exhibit 4, regulatory surplus over Pillar 1 capital requirements stood at £15.8m compared with £15.9m at end H119 and £13.5m at end 2019.

Valuation

Given that we are not currently publishing forecasts for Cenkos, we focus here on where the valuation stands in terms of the historical price to book multiple and look at the implied ROE based on an ROE/cost of equity (COE) model.

The shares currently trade at a book multiple of around 1x, which compares with a 10-year average level of 2.2x (see Exhibit 10). This relatively depressed level needs to be viewed in the light of the returns on equity that Cenkos has earned over a number of periods. Taking reported earnings, the annualised H120 return was only 5%, well below the five- and 10-year averages of 17% and 24% respectively. Historically, Cenkos benefited from an ability to execute a number of large transactions, which may recur but are unpredictable, while regulatory costs and MiFID II impacts are permanent negative changes. Against this, Cenkos's flexible operating model and cost discipline should help protect profitability as we demonstrated in our discussion in the Financials section. Using an ROE/COE model and assuming long-term growth of 2% and a cost of equity of 10%, the current share price suggests the market assumes a return on equity of 10.3%, similar to the 11% return on equity we calculated in our illustration in the Financials section.

Exhibit 10: 10-year price to book value history



Source: Refinitiv, Edison Investment Research

Exhibit 11: Financial summary

£000s	2015	2016	2017	2018	2019
Year end 31 December					
PROFIT & LOSS					
Revenue	76,513	43,743	59,504	44,953	25,916
Administration expenses (ex-depreciation)	(56,510)	(38,581)	(49,286)	(41,567)	(25,530)
EBITDA	20,003	5,162	10,218	3,386	386
Depreciation	(241)	(182)	(242)	(247)	(271)
Operating profit	19,762	4,980	9,976	3,139	115
Investment revenues	134	83	23	103	30
Profit before tax	19,896	5,063	9,999	3,242	145
Tax	(4,525)	(1,858)	(1,815)	(805)	(101)
Profit after tax, continuing operations	15,371	3,205	8,184	2,437	44
Discontinued operations	0	(661)	(973)	0	0
Profit after tax	15,371	2,544	7,211	2,437	44
Average number of shares outstanding (m)	56.5	54.7	54.7	51.8	51.2
EPS continuing operations (p)	27.2	5.9	15.0	4.4	(0.2)
Fully diluted EPS (p)	26.8	4.6	13.2	4.4	(0.2)
Dividend per share (p)	14.00	6.00	9.00	4.50	3.00
NAV per share (p)	53.0	49.8	56.2	54.0	49.4
ROE (%)	43%	10%	25%	9%	0%
Cost/income ratio	74.2%	88.6%	83.2%	93.0%	99.6%
Staff costs/Revenue	60.1%	68.3%	63.7%	64.4%	63.6%
BALANCE SHEET					
Non-current assets	1,626	625	1,263	1,179	5,611
Property, plant and equipment	296	389	525	558	517
Other non-current assets	1,330	236	738	621	5,094
Current assets	64,725	62,692	68,492	65,333	40,821
Other current assets inc Investments - long positions	12,706	13,811	10,615	12,648	8,973
Cash	33,106	23,795	36,829	33,635	18,333
Debtors and other	18,913	25,086	21,048	19,050	13,515
Current liabilities	(37,432)	(35,254)	(39,641)	(38,658)	(16,555)
Other current liabilities inc short positions	(2,551)	(2,694)	(3,341)	(6,018)	(1,840)
Other current liabilities	(34,881)	(32,560)	(36,300)	(32,640)	(14,715)
Non-current liabilities	(351)	(880)	(366)	(263)	(5,219)
Net assets	28,568	27,183	29,748	27,591	24,658
CASH FLOW					
Operating cash flow	15,538	(465)	6,917	3,168	(1,818)
Working capital and other items	16,184	(1,387)	13,490	1,558	(9,051)
Tax paid	(5,049)	(2,533)	(1,334)	(1,664)	(351)
Net cash from operating items	26,673	(4,385)	19,073	3,062	(11,220)
Fixed asset investment	(174)	(272)	(378)	(280)	(197)
Acquisitions/disposals	0	0	0	0	(140)
Other investing activities	191	93	23	90	90
Share (purchase)/issuance	(16,823)	(438)	(549)	(2,353)	(1,277)
Ordinary dividends	(9,740)	(4,367)	(5,201)	(3,573)	(2,485)
Other financing	47	58	66	62	(73)
Net cash flow	174	(9,311)	13,034	(2,992)	(15,302)
Opening net (debt)/cash	32,932	33,106	23,795	36,627*	33,635
Closing net (debt)/cash	33,106	23,795	36,829*	33,635	18,333

Source: Cenkos Securities, Edison Investment Research. Note: *A change in accounting policy relating to EBT and SIP in 2019 was applied retrospectively to 2018 and results in a small mismatch between closing net cash in 2017 and opening net cash in 2018.

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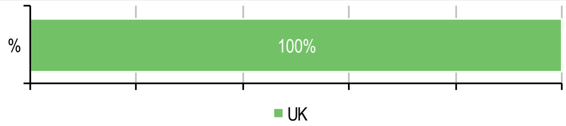
Revenue by geography



Management team

Non-executive chairman: Lisa Gordon

Lisa Gordon was appointed as a non-executive director and chairman in June 2020. With more than 25 years of executive and non-executive board experience she is also a non-executive director at AIM-listed Alpha FX, at M&C Saatchi and Magic Light Pictures. Previously she was a founding director of Local World, COO at Yattendon, a private conglomerate, and director of corporate development at Chrysalis. Her early career was as an investment analyst at County NatWest Securities.

Chief executive: Jim Durkin

Jim Durkin was re-appointed as an executive director and CEO in August 2019 having resigned from these positions in July 2017. He is one of the founder shareholders of Cenkos, joining the company as head of the corporate broking team in 2005. Durkin was appointed as an executive director in 2006 and CEO in 2011. During his 30-year career in the securities industry, he has had substantial experience originating and executing corporate finance transactions across a range of industries including insurance, property, financials and utilities.

Executive director: Julian Morse

Appointed as an executive director in May 2020, Julian Morse has been head of the Growth Companies team since 2016 and is one of the founding members of the team, having joined in 2006. Previously a director at Beeson Gregory and Evolution Securities, Morse has over 25 years' experience in the City, where he has advised and raised equity in IPOs and secondary issues for a wide range of companies across many sectors.

Non-executive director: Andrew Boorman

Andrew Boorman was appointed as a non-executive director in November 2017. From 2013 he acted as a consultant advisor to the boards of a number of financial services businesses with an emphasis on strategic human resource issues including governance, risk management and remuneration. Previously he held a number of senior roles at Henderson Group over 10 years including MD corporate services and group HR director.

Non-executive director: Jeremy Miller

Jeremy Miller was appointed to the board as a non-executive director in July 2019. With 30 years' experience in investment banking he has held senior roles at Centerview Partners, Simon Robertson Associates, Dresdner Kleinwort Wasserstein and James Capel. A qualified chartered accountant, he has been seconded to The Takeover Panel. Previously a non-executive director at Countryside Properties, he is chairman of The National Merchant Buying Society, one of the UK's largest co-operative societies.

Principal shareholders	(%)
Cannacord Genuity Group Inc.	9.5
Andrew Stewart	9.0
Jim Durkin	8.8
Nicholas Wells	3.9

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