# Cenkos Securities

H122 results

## Flexible model well suited to market conditions

Financial services

**Capital market activity slowed sharply in H122, affecting Cenkos's results, but the group's control over fixed costs and variable compensation lessened the impact on underlying profit. While trading conditions remain difficult, Cenkos has increased its client base, invested in staff and retains a strong balance sheet so it should be well positioned to benefit once market activity recovers.**

| Year end | Revenue (£m) | PBT* (£m) | EPS* (p) | DPS (p) | P/E (x) | Yield (%) |
|---|---|---|---|---|---|---|
| 12/18 | 45.0 | 3.24 | 4.4 | 4.5 | 10.4 | 9.8 |
| 12/19 | 25.9 | 0.15 | 0.1 | 3.0 | N/A | 6.5 |
| 12/20 | 31.7 | 2.25 | 3.3 | 3.5 | 13.9 | 7.6 |
| 12/21 | 37.2 | 3.95 | 6.0 | 4.3 | 7.6 | 9.2 |

Note: *PBT and EPS are reported with EPS on a fully diluted basis. Given uncertainty over the incidence of corporate transaction fees, we are not publishing forecasts at this point.

## H122 results

Cenkos's H122 results were, unsurprisingly, affected by the challenging capital markets background, particularly in the second quarter. Total revenue was 30% below H121 at £12.7m. Within this Corporate Finance was 32% lower and net trading gains were 66% down, but, positively, reflecting a net increase in the number of clients (103 versus 100) nomad, broking and research fees were up 4%. The flexible business model with contained fixed costs meant that underlying operating profit fell by a similar percentage (29%) from £2.7m to £1.9m; this was before changes in the fair value of options and warrants received in lieu of fees (a reduction of £1.9m in H122) and incentive plan costs (£0.6m). After these items there was a reported loss before tax of £0.48m compared with a £1.69m profit in H121. An interim dividend of 1.0p, versus 1.25p for H121, is to be paid.

## Uncertain outlook but gaining market share

On the outlook, Cenkos cautions that market conditions are likely to remain challenging for the foreseeable future given the macroeconomic background. Nevertheless, there are encouraging signs in that Cenkos accounted for 23% of money raised on AIM in the first half (FY21: 10%), the number of corporate clients is higher and the company has carried out three transactions in H222 to date (nine in H122). The balance sheet remains strong with capital resources of £23.6m, which is comfortably above the regulatory requirement and cash stood at £15.9m. This supports selective investment in staff to maintain service levels to a growing client base.

## Valuation

Cenkos shares trade on a price to book value of 0.9x, which compares with a 10-year average of 2.1x. Using an ROE/COE model suggests the current price is discounting a return on equity (ROE) of 9.1%. While trading conditions are currently unfavourable, this appears cautious in comparison with the five-year average ROE of 11%.

**15 September 2022**

| | |
|---|---|
| **Price** | **46p** |
| **Market cap** | **£21m** |

| | |
|---|---|
| Net cash at end June 2022 (£m) | 15.9 |
| Shares in issue | 56.7m |
| Free float | 75% |
| Code | CNKS |
| Primary exchange | AIM |
| Secondary exchange | N/A |

### Share price performance


| % | 1m | 3m | 12m |
|---|---|---|---|
| Abs | (25.6) | (29.7) | (48.3) |
| Rel (local) | (22.8) | (30.2) | (47.5) |
| 52-week high/low | | 88p | 45p |

### Business description

Cenkos Securities is a leading UK institutional 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 £22bn in equity capital for corporate clients, which stood at 103 at the end of June. The business has an approach where fixed costs are contained, helping it to navigate periods of market volatility.

### Next events

| | |
|---|---|
| FY22 results (estimated) | March 2023 |

### Analysts


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***Cenkos Securities is a research client of Edison Investment Research Limited***

# Investment summary

## Stockbroker focused on small/mid-cap companies and funds

Cenkos is a specialist securities firm that focuses on both corporate and institutional clients. Its main activity is as a stockbroker to UK small and mid-cap companies and investment funds. At end H122 it had 103 retained corporate clients. It has a disciplined approach to controlling fixed costs, which enables attractive rewards for staff when activity is high while containing costs in quiet periods.

With offices in London and Edinburgh and 102 employees at end H122, Cenkos provides an integrated service as a nominated adviser, sponsor, financial and strategic adviser and market maker to a range of companies and investment funds at all stages of growth and across sectors. It focuses on companies listed or planning to list on the London Stock Exchange Main Market and AIM.

Cenkos sees its relationship with institutional clients as based on the quality of its corporate client list and of its sales, research, execution and investor relations services. Cenkos's research reaches c 1,000 institutional investors. Its trading and market making activity seeks to provide investment clients with liquidity and competitive prices and in H122 it had a top five market share in 84% of client stocks, while making a market in a total of 184 equities and investment trusts.

Sensitivities for the business include changes in equity market conditions, the loss of key staff, reputational risk and regulatory change. Mitigation is provided by balance-sheet strength, and a focus on developing a strong culture and maintaining standards of conduct and compliance.

Exhibit 1 shows key performance indicators that Cenkos management monitors. The variation in funds raised for clients influences revenue per head, underlying profit and dividend figures. The corporate client count declined in 2019 and 2020 but increased in both 2021 and H122: a positive indicator for the future. Important indicators for the resilience of the business are liquidity (cash balance: £15.9m), a significant regulatory capital surplus and non-corporate finance revenue as a percentage of fixed costs, which on our estimate was still above 40% even in the more difficult trading conditions seen in the first half.

**Exhibit 1: Performance indicators**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | H122 |
|---|---|---|---|---|---|---|---|
| Revenue per head (£m) | 0.37 | 0.48 | 0.41 | 0.23 | 0.35 | 0.41 | 0.26* |
| Corporate client base (number) | 116 | 117 | 116 | 100 | 94 | 101 | 103 |
| Funds raised for clients (£m) | 1,325 | 2,533 | 1,193 | 664 | 944 | 1,207 | 380 |
| Non-corporate finance revenue to fixed costs (%) | 66 | 63 | 50 | 41 | 57 | 54 | 43** |
| Cash at bank (£m) | 23.8 | 36.8 | 33.6 | 18.3 | 32.7 | 33.5 | 15.9 |
| Regulatory surplus over Pillar 1 capital requirements (£m) | 9.8 | 9.6 | 11.2 | 13.5 | 14.5 | 15.8 | N/A |
| Underlying profit (£m) | 5.0 | 10.7 | 4.6 | 1.4 | 4.0 | 5.9 | 1.9 |
| Dividend per share (p) | 6.00 | 9.00 | 4.50 | 3.00 | 3.50 | 4.25 | 1.00 |

Source: Cenkos, Edison Investment Research. Note: *Revenue per head is annualised for H122. **Non-corporate finance revenue to fixed costs is estimated for H122.

## H122 results analysis

Exhibit 2 shows an analysis of the H122 profit and loss account, with the first-half figures for the previous three years shown for comparison. The group has adjusted the presentation of underlying profit in these results by excluding the impact of options and warrants received in lieu of fees (both the day one valuation and movements in fair value that are within the other operating income/cost line). The comparative periods shown have also been adjusted. Unless stated, in our comments below we are comparing H122 with H121.

As noted earlier, overall **revenue** was down 30% with the largest absolute reduction (£4.1m) being in corporate finance, where the war in Ukraine and rising inflation had a sharp impact on market confidence and activity levels following a strong start to the year during which Cenkos carried out two of the eight AIM initial public offerings (IPOs) in the year to date. Execution net trading gains, down 66%, were affected by falls in asset values and lower market volume. Nomad, broking and research revenues were up modestly, reflecting an increase in the number of clients from 100 to 103 despite some normal erosion through mergers and acquisitions.

**Staff costs** were 40% lower, reflecting the reduced pre-bonus profitability and hence variable compensation. Selective hiring to sustain service levels to clients and support growth in the client base meant there was a small increase in the number of employees to 102 at the end of the period, compared with 92 at end H121 and 95 at end FY21. As a percentage of revenue, staff costs were 56% compared with 65% in H121.

**Administrative costs** (also before restructuring and incentive plan costs) were 3% lower and, compared with H119, 20% lower, reflecting the review of fixed costs undertaken in 2019 and subsequent cost discipline.

Control over costs allowed the decline in **underlying operating profit** to be limited to 29%.

**Exhibit 2: Profit and loss analysis (year end 31 December)**

| £000 | H119 | H120 | H121 | H122 | H122 vs H121, % change |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Corporate finance | 6,245 | 9,216 | 12,732 | 8,652 | -32 |
| Nomad, broking and research | 3,459 | 3,244 | 3,076 | 3,208 | 4 |
| Execution - net trading gains | 1,060 | 806 | 2,413 | 822 | -66 |
| **Total revenue** | **10,764** | **13,266** | **18,221** | **12,682** | **-30** |
| Deduct day one value of options and warrants | 0 | 0 | (163) | (192) | 18 |
| Staff costs | (6,368) | (7,392) | (11,778) | (7,109) | -40 |
| Administrative expenses before restructuring and incentive plans | (4,336) | (3,539) | (3,565) | (3,457) | -3 |
| **Underlying profit (loss)** | **60** | **2,335** | **2,715** | **1,924** | **-29** |
| Add back day one value of options and warrants | 0 | 0 | 163 | 192 | 18 |
| Other operating income/expense | (139) | (361) | (45) | (1,936) | N/A |
| Restructuring costs | (172) | (658) | (466) | 0 | -100 |
| Incentive plans | | (500) | (600) | (624) | 4 |
| **Operating profit** | **(251)** | **816** | **1,767** | **(444)** | **N/A** |
| Investment income - interest income | 65 | 23 | 7 | 46 | 557 |
| Finance costs - interest on lease liability | (10) | (86) | (88) | (85) | -3 |
| **Profit before tax** | **(196)** | **753** | **1,686** | **(483)** | **N/A** |
| Tax | (5) | (163) | (183) | 94 | N/A |
| **Profit after tax** | **(201)** | **590** | **1,503** | **(389)** | **N/A** |
| Earnings per share (p) | (0.6) | 1.2 | 3.1 | (0.8) | N/A |
| Diluted earnings per share (p) | (0.4) | 1.1 | 2.7 | N/A | N/A |
| Dividend per share (p) | 2.00 | 1.00 | 1.25 | 1.00 | -20 |

Source: Cenkos, Edison Investment Research

**Other operating income/expense:** there was a sharp negative movement in the fair value of options and warrants received in lieu of fees resulting in the £1.9m expense for H122, much higher than the figures for H119–H121. By its nature this figure is volatile with the fair value gains and losses recorded linked to underlying share prices and in H220, when there was a strong market rally, there was a valuation gain of over £0.6m. As Cenkos notes, these instruments may have a lifespan covering a number of reporting periods during which mark-to-model fair values fluctuate, while the timing of crystallisation is uncertain and vesting criteria may never be reached.

**Incentive plan costs** were slightly higher and included charges relating to the short-term incentive plan (launched in April 2020, ended H122), long-term incentive plan (launched in April 2021 and focused on senior management) and company share option plan (launched March 2021 for all employees).

After these costs and net finance costs there was a **pre-tax loss** of £0.48m and at the earnings per share level a loss of 0.8p.

Seeking to deliver a level of consistency in payments through market cycles and mindful of the strong balance sheet, the board declared a **dividend** of 1.0p (1.25p). The group also intends to purchase shares over time to match unvested share awards and manage the issued share capital. In H122 share purchases amounted to £2.6m. Since admission to AIM in 2006, Cenkos has returned the equivalent of 185p per share of cash to shareholders (before the H122 dividend).

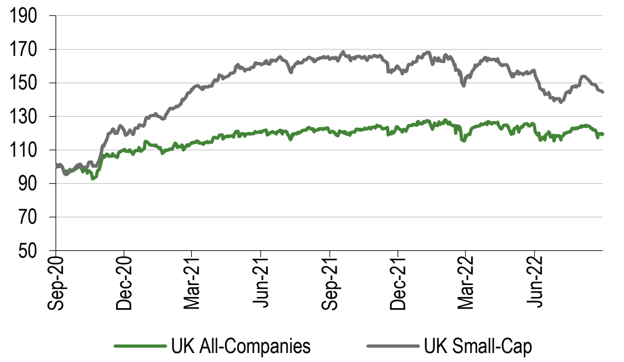
The nine **transactions** carried out during the first half included two IPOs and an introduction to AIM: Facilities by ADF, Clean Power Hydrogen and Neometals.

## Background and outlook

In this section we discuss the trading background and outlook for Cenkos, including charts showing the recent performance of the UK equity market and levels of trading volume on the Main and AIM markets.

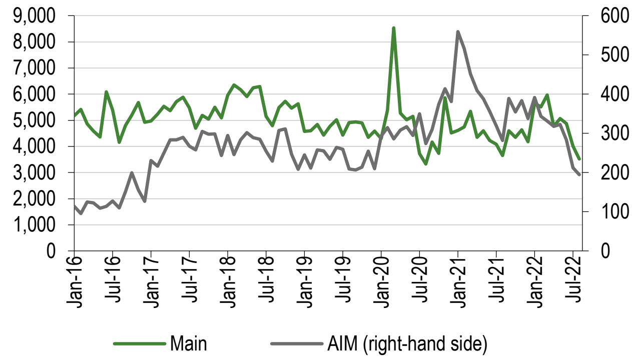
Exhibit 3 shows the performance of UK all-companies and small-cap equity indices from the end of 2020. This includes a period of recovery following the impact of COVID-19 in 2020 and then a more stable period before the initial reaction to the war in Ukraine and a further softening as economic concerns have grown. The relative strength in small-cap equities from the end of 2020 to September 2021 reflected a rotation towards higher-risk/more economically sensitive stocks. Although the relative performance of small caps has improved more recently, the index has still underperformed the all-companies index by 13% in the year to date.

**Exhibit 3: UK equity indices**




Source: Refinitiv, CBOE indices

**Exhibit 4: LSE average daily value traded (£m)**

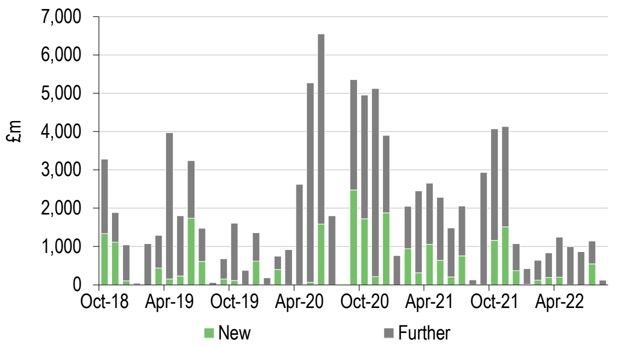



Source: London Stock Exchange (Main Market order book and AIM, last value August)

In Exhibit 4 we can see the brief spike in trading activity on the London Stock Exchange Main Market order book in early 2020 at start of the pandemic. This was comparable with the levels seen during the global financial crisis but shorter lived. Activity then subsided before rising again with the invasion of Ukraine. AIM activity rose later than the Main Market, which reflects the rotation highlighted previously, and has fallen sharply this year, accentuated by seasonal factors in the latest readings.

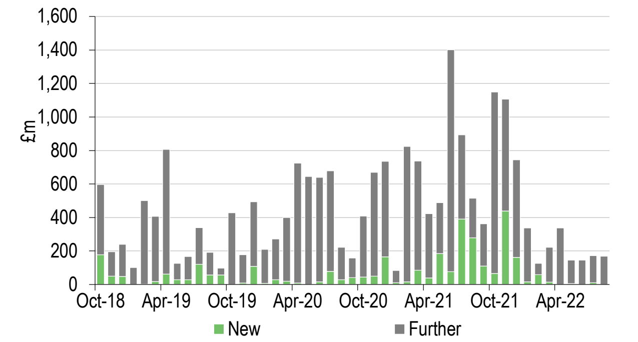
The next two charts show levels of equity issuance on the London Stock Exchange Main and AIM markets since 2010. For both markets, activity strengthened in 2020, driven mainly by further issuance, with IPO numbers restricted by the market background. Fund-raising to support balance sheets played a prominent role for the Main Market in 2020 after the onset of the pandemic, but the subsequent bounce back in new issuance and fund-raising was directed more towards financing M&A and growth. In the current year, activity has been subdued on both markets, particularly following the first quarter. Understandably, uncertainty over the outlook has resulted in much corporate activity being put on hold. Nevertheless, as noted earlier, Cenkos has carried out three transactions in H222 so far.

**Exhibit 5: Main Market money raised and new issues**




Source: London Stock Exchange

**Exhibit 6: AIM money raised and new issues**




Source: London Stock Exchange

Cenkos prudently acknowledges that market conditions are likely to remain challenging for the foreseeable future, but remains confident in its business model. In addition to cost discipline, which helps contain fixed costs, its focus on providing a responsive client service through fostering a collaborative and entrepreneurial approach in its teams and maintaining a strong balance sheet is designed to allow it to navigate market fluctuations. As noted earlier, the group has been able to make a modest net addition to its client base against the difficult market background and has been in a position to add to its headcount to support service levels.

Exhibit 7 provides some additional perspective here, showing the rate of transactions per client since 2016. This highlights the probability that a certain number of clients are likely to want to carry out equity-supported deals over time. As would be expected, the number of transactions fluctuates from year to year (the percentage varied between 17% and 35% in the period shown) but activity does sometimes show surprising resilience and has tended to bounce back following a phase of market uncertainty and muted activity. The average deal fee also varies, with the H122 level likely to have been buoyed by the firm's roles in two IPOs and an introduction.

**Exhibit 7: Cenkos transactions per client and average deal fee since 2016**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | H122 |
|---|---|---|---|---|---|---|---|
| Transactions per client (%) | 31 | 35 | 28 | 25 | 31 | 34 | 17 |
| Number of transactions | 36 | 41 | 32 | 25 | 29 | 34 | 9 |
| Number of clients | 116 | 117 | 116 | 100 | 94 | 101 | 103 |
| Average deal fee (£m) | 0.826 | 1.074 | 1.023 | 0.695 | 0.767 | 0.800 | 0.961 |

Source: Cenkos Securities, Edison Investment Research. Note: Transactions per client for H122 annualised.

## Financials

Given the uncertainty over prospective revenues, we do not include estimates in this note. However, it is useful to highlight the impact of the company's disciplined approach to fixed costs mentioned earlier.

Cenkos reports the percentage of fixed costs covered by non-corporate finance revenues in its full year results (see Exhibit 1) allowing us to track an indicated level of underlying fixed costs. In FY21 these increased by 13% to £18.6m, 24% below the level in 2018, prior to the restructuring programme initiated in FY19. Rounding fixed costs up to £19m and ignoring the accrual of incentive plan costs and any restructuring costs (£0.6m in H122), this would mean annual revenue would probably have to fall to below £20m before an underlying loss was incurred. Alternatively, a return to the historical five-year average revenue of £40m (making an assumption about the level of variable compensation and allowing for fixed costs to rise to £20m) could allow profits to reach £6.1m.

H122 saw a larger cash outflow than in H121 reflecting lower operating cash flow, a higher working capital outflow and higher dividend and own-share purchase payments. Operating cash flow was £0.8m, working capital movements absorbed £13.7m, dividends and own-share purchases totalled £4.2m with other items taking £0.2m resulting in an overall outflow of £17.6m (compared with £8.7m in H121). This left cash at £15.9m. Working capital movements are typically volatile between individual periods for stockbroking firms, reflecting the timing of bonus payments (usually in the first half), fees and changes in market-making positions.

## Valuation

As we are not publishing forecasts for Cenkos, we focus on where the valuation stands in terms of the historical price to book multiple and look at the implied ROE based on an ROE/COE model.

Reflecting its exposure to capital markets activity and bias towards small and mid-cap corporates, the share price is down 40% year-to-date (similar to the average for other quoted UK brokers and but a much greater decline than the 23% average for US and European investment bank and advisory firms).

**Exhibit 8: 10-year price to book value history**


Source: Refinitiv, Edison Investment Research

At a price of 46p the shares trade at a book multiple of around 0.9x, which compares with a 10-year average of 2.1x (see Exhibit 8). While the first half result showed a reported loss the annualised underlying ROE would have been 11.9%. Using an ROE/COE model and assuming long-term growth of 2% and a cost of equity (COE) of 10%, the share price suggests the market assumes an

ROE of 9.1%. This seems cautious given the underlying ROE and also compares with the five-year average ROE of 11%, which includes the depressed 2019 result and is based on reported earnings.

**Exhibit 9: Financial summary**

| £000s | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|
| Year end 31 December | | | | | | |
| **PROFIT & LOSS** | | | | | | |
| **Revenue** | | | | | | |
| Corporate finance & placing fees | 29,720 | 44,030 | 32,734 | 17,364 | 22,250 | 27,184 |
| Corporate broking, research, and commission | 10,514 | 8,222 | 7,824 | 6,582 | 6,175 | 6,172 |
| Execution | 3,509 | 7,252 | 4,395 | 1,970 | 3,229 | 3,869 |
| **Total revenue** | **43,743** | **59,504** | **44,953** | **25,916** | **31,654** | **37,225** |
| Other income/expense | | | | | 259 | (87) |
| Administration expenses (ex depreciation) | (38,581) | (49,286) | (41,567) | (24,902) | (28,823) | (32,385) |
| **EBITDA** | **5,162** | **10,218** | **3,386** | **1,014** | **3,090** | **4,753** |
| Depreciation | (182) | (242) | (247) | (899) | (691) | (649) |
| **Operating profit** | **4,980** | **9,976** | **3,139** | **115** | **2,399** | **4,104** |
| Investment revenues | 83 | 23 | 103 | 30 | (146) | (154) |
| **Profit before tax** | **5,063** | **9,999** | **3,242** | **145** | **2,253** | **3,950** |
| Tax | (1,858) | (1,815) | (805) | (101) | (449) | (552) |
| **Profit after tax, continuing operations** | **3,205** | **8,184** | **2,437** | **44** | **1,804** | **3,398** |
| Discontinued operations | (661) | (973) | 0 | 0 | 0 | 0 |
| **Profit after tax** | **2,544** | **7,211** | **2,437** | **44** | **1,804** | **3,398** |
| Average number of shares outstanding (m) | 54.7 | 54.7 | 51.8 | 51.2 | 49.2 | 48.0 |
| EPS continuing operations (p) | 5.9 | 15.0 | 4.4 | 0.1 | 3.7 | 7.1 |
| Fully diluted EPS (p) | 4.6 | 13.2 | 4.4 | 0.1 | 3.3 | 6.0 |
| Dividend per share (p) | 6.00 | 9.00 | 4.50 | 3.00 | 3.50 | 4.25 |
| NAV per share (p) | 49.8 | 56.2 | 54.0 | 49.4 | 54.0 | 58.3 |
| ROE (%) | 10% | 25% | 9% | 0% | 7% | 13% |
| Cost/income ratio | 88.6% | 83.2% | 93.0% | 99.6% | 93.2% | 88.7% |
| Staff costs/Revenue | 68.3% | 63.7% | 64.4% | 63.6% | 71.4% | 68.0% |
| **BALANCE SHEET** | | | | | | |
| **Non-current assets** | **625** | **1,263** | **1,179** | **5,611** | **5,202** | **5,130** |
| Property, plant and equipment | 389 | 525 | 558 | 517 | 382 | 398 |
| Other non-current assets | 236 | 738 | 621 | 5,094 | 4,820 | 4,732 |
| **Current assets** | **62,692** | **68,492** | **65,333** | **40,821** | **51,040** | **51,235** |
| Other current assets inc Investments - long positions | 13,811 | 10,615 | 12,648 | 8,973 | 5,312 | 7,231 |
| Cash | 23,795 | 36,829 | 33,635 | 18,333 | 32,735 | 33,457 |
| Debtors and other | 25,086 | 21,048 | 19,050 | 13,515 | 12,993 | 10,547 |
| **Current liabilities** | **(35,254)** | **(39,641)** | **(38,658)** | **(16,555)** | **(25,531)** | **(24,942)** |
| Other current liabilities inc short positions | (2,694) | (3,341) | (6,018) | (1,840) | (1,011) | (1,915) |
| Other current liabilities | (32,560) | (36,300) | (32,640) | (14,715) | (24,520) | (23,027) |
| Non-current liabilities | (880) | (366) | (263) | (5,219) | (5,086) | (4,436) |
| **Net assets** | **27,183** | **29,748** | **27,591** | **24,658** | **25,625** | **26,987** |
| **CASH FLOW** | | | | | | |
| **Operating cash flow** | **(465)** | **6,917** | **3,168** | **(1,818)** | **5,474** | **5,853** |
| Working capital and other items | (1,387) | 13,490 | 1,558 | (9,051) | 11,636 | 1,521 |
| Tax paid | (2,533) | (1,334) | (1,664) | (351) | (99) | (783) |
| **Net cash from operating items** | **(4,385)** | **19,073** | **3,062** | **(11,220)** | **17,011** | **6,591** |
| Fixed asset investment | (272) | (378) | (280) | (197) | (41) | (150) |
| Acquisitions/disposals | 0 | 0 | 0 | (140) | 0 | 0 |
| Other investing activities | 93 | 23 | 90 | 90 | 24 | 4 |
| Share (purchase)/issuance | (438) | (549) | (2,353) | (1,277) | (1,960) | (3,067) |
| Ordinary dividends | (4,367) | (5,201) | (3,573) | (2,485) | (1,027) | (1,922) |
| Other financing | 58 | 66 | 62 | (73) | 395 | (734) |
| **Net cash flow** | **(9,311)** | **13,034** | **(2,992)** | **(15,302)** | **14,402** | **722** |
| Opening net (debt)/cash | 33,106 | 23,795 | 36,627 | 33,635 | 18,333 | 32,735 |
| **Closing net (debt)/cash** | **23,795** | **36,829*** | **33,635** | **18,333** | **32,735** | **33,457** |

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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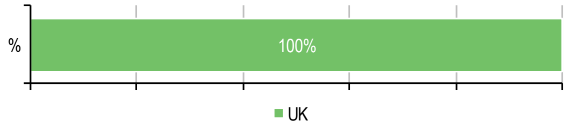
**Revenue by geography**




**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: Julian Morse**

Appointed as an executive director in May 2020 and as CEO in May 2021, Julian Morse was head of the growth companies team from 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.

**Executive director: Jeremy Osler**

Jeremy Osler was appointed as an executive director in May 2021. He is co-head of corporate finance and acts as general counsel. Osler joined Cenkos in 2016 and has over 20 years of experience in corporate finance in many sectors including both equity capital markets and M&A advisory with roles at J. P. Morgan, Hannam and Partners and as a corporate lawyer at Ashurst.

**Non-executive director: Andrew Boorman**

Andrew Boorman was appointed as a non-executive director in November 2017. From 2013 he acted as a consultant adviser 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 and a non-executive director of CPP Group and This Land.

| Principal shareholders | (%) |
|---|---|
| Andrew Stewart (deceased) | 10.0 |
| Cannacord Genuity Group Inc. | 9.0 |
| Jim Durkin | 8.4 |
| Nicholas Wells | 6.3 |
| Premier Miton | 2.1 |

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