

MARKET OVERVIEW

2019 has seen a drop in fundraising and listing activity in comparison to this time last year. There have been zero new issues on AIM in January and only three in the Main Market.

While there has been significant slowdown in the market, two bright spots in terms of fundraising are the Healthcare and Oil and Gas sectors, which make up the majority of the funds raised in January. While the Materials sector saw a high level of activity, the amounts of funds raised were disproportionately low.

Shard Capital is looking ahead to the release of February numbers to determine if January was only a bump in the road or the beginning of a downward trend.

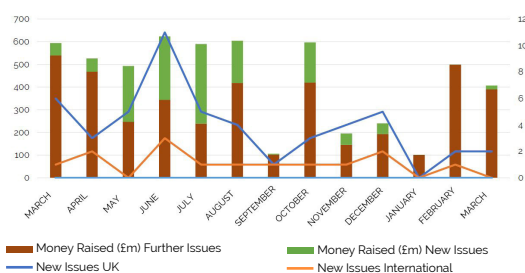
While companies may be expected to "graduate" from AIM to the Main Market, potentially lower costs and regulatory requirements may have driven companies to do the opposite.

Over recent years, there has been a trend for smaller companies to choose the Main Market over AIM. This may be reversing.

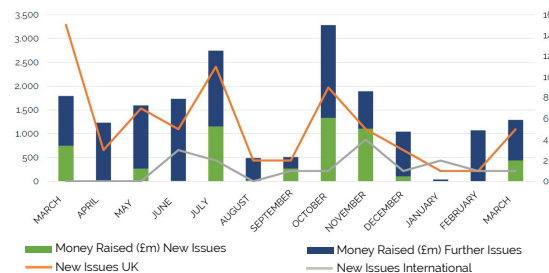
So far, 2019 has seen two companies move from AIM to the Main Market while two companies have gone the other way.

Source: QCA Analysis Feb 2019

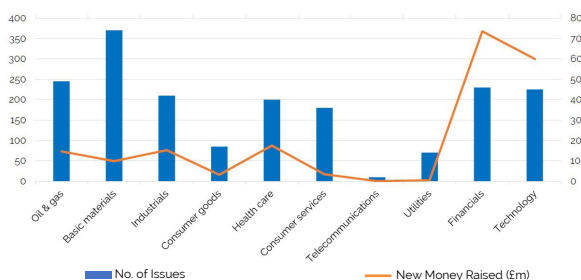
AIM new issues and money raised 2018 and 2019 to date



LSE main market new issues and money raised 2018 and 2019 to date



AIM further issues and money raised by sector - January to March 2019



Companies moving between the main market and AIM



TRENDING

MiFID II, which came into force just over a year ago in January 2019, brought with it a huge overhaul of the financial services industry that aimed to increase transparency, reduce costs for investors and clampdown on market misconduct in the financial industry. We undertook a survey to examine its effects one year on – results below:

- 62% of investors report that there is less research being produced on small and mid-caps since MiFID II came into effect.
- 86% of investors expect there to be fewer broking houses in the next 12 months as a result of MiFID II.
- Companies are taking action – 90% say they either have, or plan to, develop their corporate website to improve visibility to investors.
- Investors say that holding a capital markets day is the best way to improve visibility.

CLIENT FUNDING



Immotion Group plc (LON: IMMO), the UK-based immersive virtual reality 'Out of Home' entertainment business, completed a £3.3m (gross) fundraise to accelerate its growth plans.



Nostra Terra Oil & Gas (AIM: NTOG), the oil and gas exploration and production company with a portfolio of assets in the USA and Egypt, raised £1.15m (gross) via a placing to strengthen its position in the Mesquite Asset in the Permian Basin, Western Texas, ahead of identifying and securing a farm-in partner to deliver the Mesquite Field Development Plan.



Pires Investments (AIM: PIRI) raised £781,720 (gross) via a placing to take advantage of investment opportunities as they arise and improve the Company's attractiveness as an investment partner.



Live Company Group (AIM: LVCG) completed a £2.2m (gross) fundraise to finance the expansion of the BRICKLIVE Zoo programme to meet demand.



Jubilee Metals Group plc (AIM: JLP), the metals recovery company with a focus on reprocessing historical surface mine waste and materials, completed a £11.07m (gross) fundraise to complete the acquisition and recapitalisation of the Sable Zinc refinery in Kabwe, Zambia adjacent to JLP's Kabwe Zn-Pb-V project.

COMPANY NEWS



We are delighted to welcome **Phil Swinfen** and **Isabella Pierre** to our team as Resource Analyst and Corporate Broker respectively. With 20 years' experience in the mining industry, Phil is widely respected; previous positions include exploration and mining geologist for Anglo American; and mining analyst for various London stockbroking firms and investment banks including Numis Securities. Isabella joins Shard from Northland Capital, an institutional stockbroker where she acted within Corporate Broking and Equity Sales.

On other company news, nearly 150 investors attended an investor event organised by Shard Capital on 5th March showcasing Sure Ventures plc and its ground-breaking investee tech companies. Feedback was extremely positive, with attendees saying that they had a much clearer understanding of different ways to invest in AI, IoT and AR/VR software companies. If you missed the event, get in touch and we can provide you with more information.

REGULATORY UPDATES

On 6 March 2019, the Takeover Panel published response statements to with regards to two earlier consultations: "**Asset Valuations**" and "**The United Kingdom's withdrawal from the European Union**". The new Rule 29 is intended to ensure that asset valuations made in the course of an offer are supported by a valuation report and will be beneficial to all parties to offers. In regards to the United Kingdom's withdrawal from the EU the EU's Takeovers Directive will cease to apply in the UK after Brexit and as such amendments have been made to the Companies Act 2006 by the Takeovers (EU Exit) Regulations.

Notably the Code will no longer apply to an offer for: a company which does not have its registered office the UK and whose securities are admitted to trading on a UK regulated market; or a company which has its registered office in the UK and whose securities are admitted to trading on a regulated market in a remaining EEA Member State and which does not satisfy the "residency test" set out in the Code.

ABOUT US

Offering a full range of services, from corporate broking and investor relations, to corporate advisory and alternative finance, Shard Capital ECM provides clients with a tailored approach, based on their unique requirements. Drawing on a wealth of knowledge and experience, its team looks to establish strong partnerships, which helps determine innovative, bespoke solutions. This personalised approach reflects the 24/7 nature of today's corporate environment, as well as an intuitive understanding of the entrepreneurial spirit of many of the businesses it works with.

CONTACT

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