

The role of the Nomad & Broker

October 2016

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Agenda

- The roles of the Nomad and Broker
- What to look for in a Nomad and Broker
- What investors are looking for
- Overview of Cenkos
- Sample transactions
- Cenkos in Asia

The role of the Nomad

- Long term relationship
- Dual role – adviser and regulator
- Gatekeeper
- Three criteria for suitability: won't damage AIM's reputation; long term value to external shareholders; timing
- Manage the flotation
- Help with the appointment of advisers

What to look for in a Nomad

- Understand your business – shared vision
- Sector expertise
- Prepared to say no
- Commitment – to your business and to the region

The role of the Broker

- Long term relationship
- Develop the investment proposition (Admission Document)
- Test marketing
- Writing research
- Placing stock
- Market making – providing liquidity
- Your bridge to the market

What to look for in a Broker

- Placing power – relationships with investment institutions
- Research – analysts that understand your business
- Market making – providing liquidity
- Commitment – to your business and to the region

Valuation

- Determined by the market
- Risk versus reward
- Everything is relative
- PERs are simplistic and limited
- Leave something on the table

What investors are looking for

- A clear growth path
- Strong investment case
- Logical and defensible financial forecasts
- Good corporate governance
- Strong and trustworthy management
- Rationale for choosing London
- Delivery

Cenkos - Overview

Independent UK specialist institutional securities firm

- Established in 2005, AIM quoted
- Circa 120 employees based in London, Edinburgh, Liverpool and Singapore
- Adviser and/or broker to over 110 companies and investment trusts
- Market leader in raising capital for growth companies

High level of staff ownership

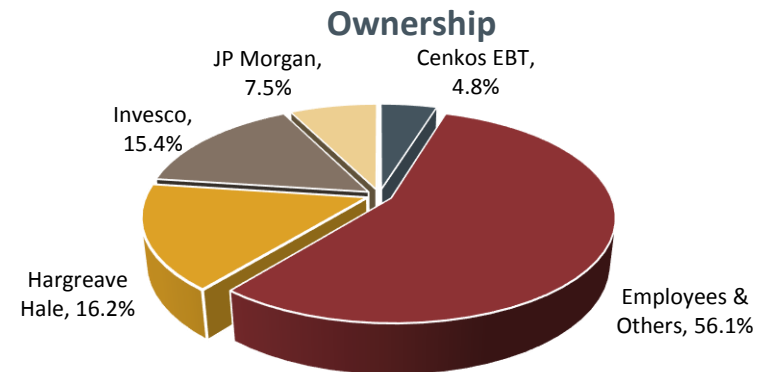
- Directors/staff are significant owners of the business
- Performance driven culture
- Long-term approach

Focus on clients and their needs

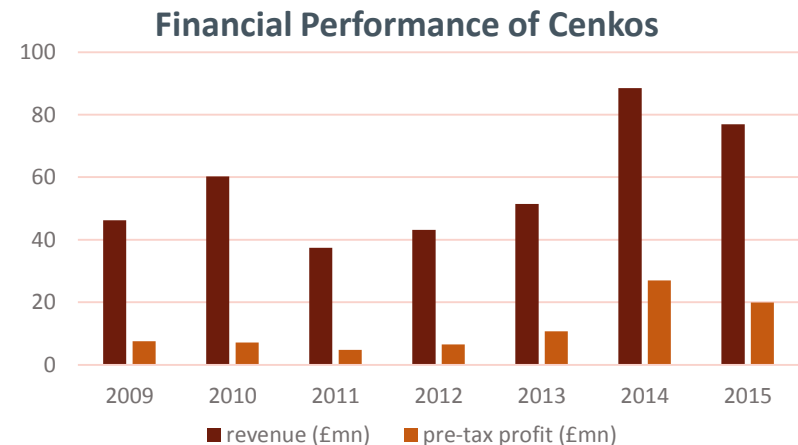
- High service level
- Low client to staff ratio
- Relationship based stockbroker

Clear differential from peer group

- Stability** – low turnover in both clients and staff
- Profitability** – profitable every year since inception
- Team Structure** – specialist corporate finance, sales and research teams



Source: Cenkos Securities, May 2016



Source: Cenkos Securities

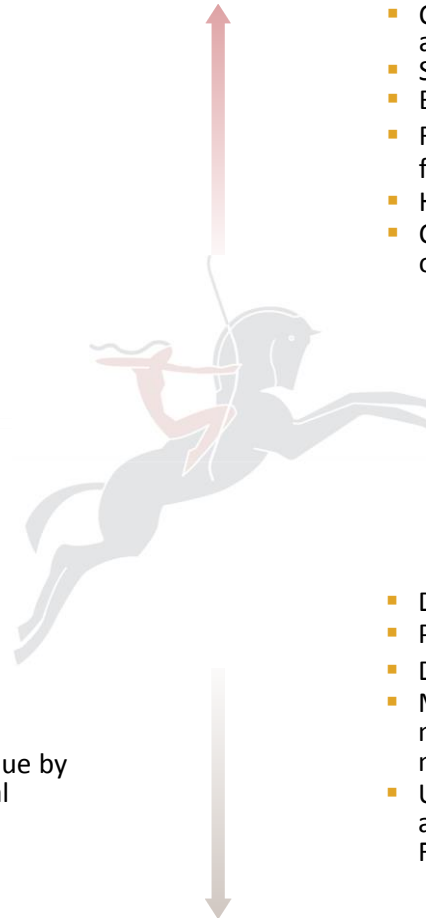
Cenkos services - A fully integrated offering

- High level impartial advice
- Strategic and general corporate advice
- M&A for listed and private companies
- Private equity and leveraged buy outs
- Valuations and fairness opinions
- Equity finance and IPOs
- Debt finance and capital reorganisations
- Sponsor and nominated adviser services

Corporate Finance

Corporate Broking

- Communications and market intelligence
- Equity issuance and fundraising
- Advising on the impact of corporate actions
- Investor targeting and register optimisation
- Positioning clients favourably with investors
- Impacting on management's ability to create value by maximising rating and providing access to capital
- Coordination of investor roadshows, including conferences and institutional lunches



- Clear, informed research from analysts with extensive industry and capital markets experience
- Supplemented by in-depth, themed research
- Briefings on major events and results
- Research widely distributed and read - delivery to over 300 fund management houses
- Helps drive secondary trading and increased liquidity
- Clear correlation between well-regarded research and ongoing, demonstrable ability to raise significant equity

Equity Research

Sales, Trading and Market Making

- Distribution and briefings on major events and results
- Providing liquidity and an orderly market in covered stocks
- Daily contact with the right institutions
- Market-making is an integral part of our offering – we make markets in over 300 mid / small cap stocks on the LSE main market and AIM
- Utilise the Retail Service Provider (RSP) service, providing access to major retail brokers, and all major Multi Trading Facilities (MTFs) and dark pool technology to execute trades

Cenkos fundraisings - Market leading placing power

Over £11.6 billion raised since inception in 2005
Over £2.8 billion raised in 2014
Over £3.0 billion raised in 2015

FY13

No. of corporate transactions

47

(7 M&A)

Total funds raised

£ 1.2bn

Deal size

£ 0.9mn to £ 210mn

Average fundraising size

£ 24mn

FY14

No. of corporate transactions

38

(7 M&A)

Total funds raised

£ 2.8bn

Deal size

£ 2.3mn to £ 1.4bn

Average fundraising size

£ 74mn
(ex AA £38mn)

FY15

No. of corporate transactions

32

(9 M&A)

Total funds raised

£ 3.1bn

Deal size

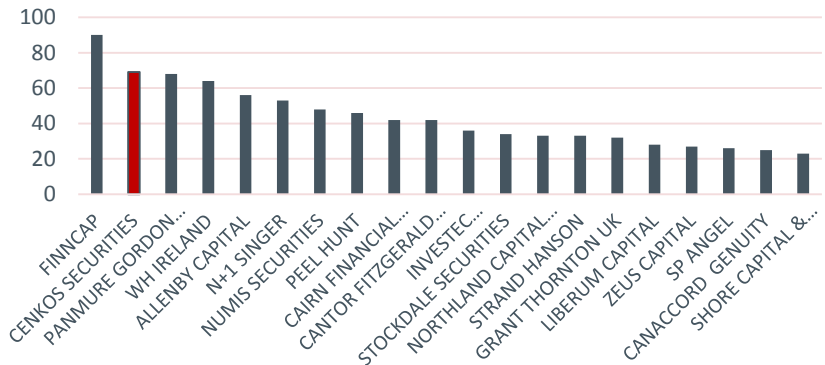
£ 0.3mn to £ 1.0bn

Average fundraising size

£ 97mn
(ex BCA £66mn)

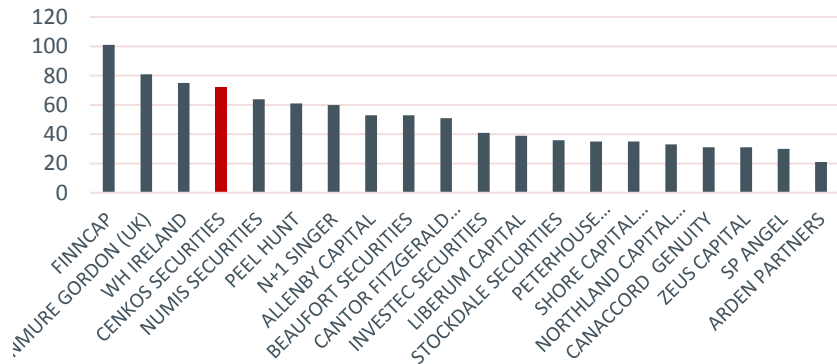
Cenkos expertise – A market-leading position

Financial Adviser

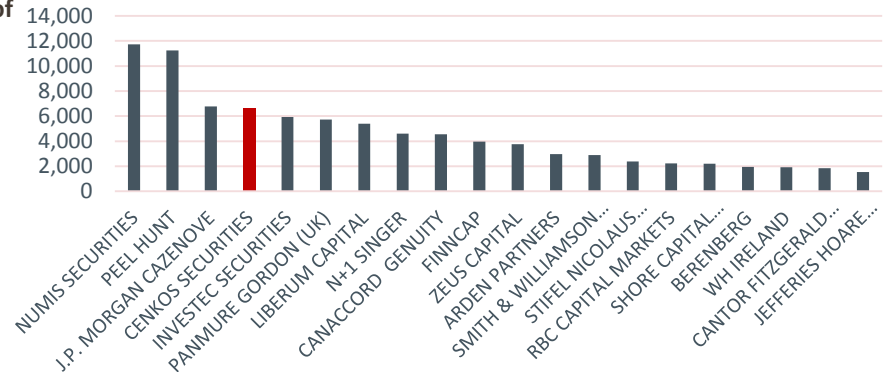
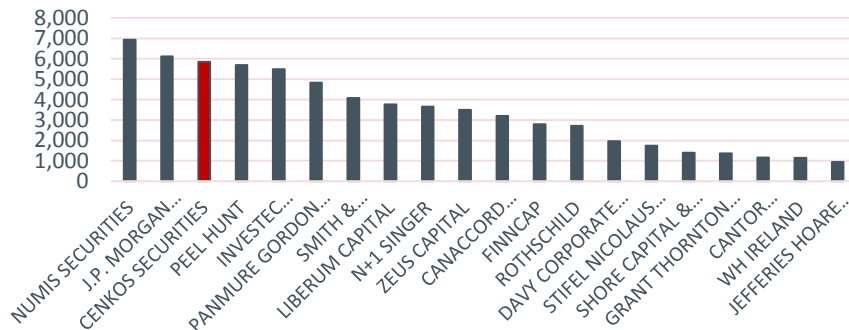


Broker

Number of AIM Clients



Market Cap of AIM Clients (£mn)



Source: Corporate Advisers Ranking Guide, July 2016

Cenkos raised 17% of the capital raised on AIM in 2015

Cenkos sample transactions



The AA plc

Market Cap: £2,503m
Revenue: £983m
Roadside Assistance

The country's largest breakdown cover organisation, representing over 40% of the market.

Number of employees: 7,000+

Year company formed: 1908

Date of IPO: June 2014



Restore plc

Market Cap: £220m
Revenue: £54m
Support Services

Support services company focussed on document management and relocations.

Number of employees: c. 550

Year company formed: 1996

Date of IPO: November 2004



Science in Sport plc

Market Cap: £17m
Revenue: £7m
Nutritional Foods

Sports nutrition company that develops, manufactures and markets sports nutrition products.

Number of employees: c. 65

Year company formed: 2013

Date of IPO: August 2013



Client size

Growth companies team:

- Market cap focus: £5m - £200m

Large cap team:

- Market cap focus: £200m +

Current client sectors

- Clean Energy
- Consumer/Leisure
- Financial Services
- Healthcare
- Investment
- Investment Funds
- Manufacturing/Engineering
- Media/Marketing
- Real Estate
- Resources
- Support Services
- Software & Computer Services
- Technology
- Utilities

Fund raise size

Smallest fund raise in 2014:

- Science in Sport; Placing; £2.3m

Largest fund raise in 2014:

- AA plc; IPO; £1.375 bn

Cenkos in Asia

- Incorporated in Singapore in 2015.
- Capital Markets Services licence issued by the Monetary Authority of Singapore.
 - dealing in securities
 - corporate finance advisory
- Leveraging Cenkos Securities plc's strengths – a UK leader in raising capital for growth companies.
- Building long term relationships in the region.
 - introducing unique equity opportunities to Asian investors
 - raising public and private equity capital for growth companies
- Highly experienced team: average of more than 25 years in the investment industry.

Summary

The relationship with your Nomad is a long term one – think beyond the deal.

Choose a Nomad that:

- ✓ understands your business
- ✓ has placing power
- ✓ is prepared to deploy resources
- ✓ has commitment to you and the region

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