

HYBRIDAN

YOUR PARTNER FOR GROWTH

***Strategic corporate finance
professionals for private and listed
companies***



March - May 2021

Hybridan: Go To Partner for Strategy

We have a long and proud track record of helping growth companies to raise capital, promote investor awareness and adapt their capital structure to their stage of development.

H Our focus is on helping our corporate clients grow in the most efficient way possible, with none of the conflicts of interests that can arise from also providing wealth management. We are in continual contact with our clients to ensure they are speaking to the most relevant investors and that the most productive listing, capital-raising or investor outreach strategy is being followed at any given time in the market cycle.

H We pride ourselves as being one of the very few profitable corporate finance and broking firms in the City, something we have achieved through a highly disciplined approach when seeking to forge and maintain both corporate and institutional relationships. We have a strong network of growth investors and investment funds across most sectors.

H Coupled with our focus on our corporate clients, the quality of our institutional investor relationships is of paramount importance to us and is what sets us apart from our peers. These relationships have proven invaluable during the lockdown period and have enabled us and our clients to continue to execute transactions. Our core investor base includes:

- Institutional fund managers
- VCT and EIS fund managers
- Family Offices
- High Net Worth investors
- Wealth Managers

Regulated by the
FCA.

Member of the
LSE.



Expertise in
stocks quoted
and listed on the,
LSE, AIM, AQSE

Began trading in
January 2007.
Held in high
regard by
corporates and
institutions.

Member of the
CISI.



Member of the
QCA.



HYBRIDAN
YOUR PARTNER FOR GROWTH

Corporate Finance Offering

EIS and
VCT
strategies

Experienced
team

Fundraising

Investor
Access

Pre IPO
planning

IPO
preparation



- H Private company fundraising strategies
- H Tax-efficient fundraising strategies – EIS, VCT
- H Input on Board composition and corporate governance issues, particularly from the point of view of what investors will be focusing on
- H Advice on capital structure
- H IPO preparation: from investment proposition to which market is most appropriate – AQSE, AIM, Main
- H Co-ordination of other advisors
- H Valuation, Single joint expert witness work in AIM shares, Rule 3, consultancy services

Strategic Adviser for Unlisted Companies

- H We only act on a retained basis for strategic advisory services to unlisted companies.
- H We bring the discipline of the listed environment to the unlisted world of fast growth companies.
- H For shareholders we can prepare a quarterly description of the business and an update since often CEOs do not understand their obligations to shareholders and optimum communication.
- H Development and focus on the investment case, including advice on strategic direction (e.g. new markets and products, M&A, customer acquisition, margin improvement).
- H Increase awareness among prospective investors.
- H Fundraising services, with focus on EIS/VCT eligible companies, and secondary transfer work/ vendor sell down.
- H Evolution of valuation metrics and comparable companies.
- H Input into investor presentation based on best practices from successful fundraisings in the past, as well as on going corporate finance advisory services post fundraise
- H Preparation for a liquidity event, including IPO, PE/VC funding, strategic investment or trade sale.
- H We believe there is a strong correlation between the quality of a company and its retaining advisers to look after investors / investment, enabling the management team to focus on growing the business.

Retained
committed
adviser

CEOs spend
too long on
shareholder
politics and
fundraising

Allows the
company to
focus on Bus
Dev, we do the
shareholder /
investor part

Restructure,
reorganise,
dispose...the Go
To Strategy
House

Private
companies ill
prepared for
fundraising

Companies need
to be well
organised to
achieve their
goals



Unlisted Companies: Our Investors' Criteria

- ⌘ We are not prescriptive and these things change, but at the moment our investors are mainly looking for the following criteria, although it is a balancing act:
 - ⌘ EIS eligibility
 - ⌘ Circa £1m annualised revenue, with recurring element if possible
 - ⌘ Have had outside investment, maybe a double-digit number of external investors, but not 1000's of shareholders
 - ⌘ Unlevered balance sheet
 - ⌘ Simple capital structure
 - ⌘ Management teams correctly incentivised
 - ⌘ Beyond proof of concept, real paying customers
 - ⌘ Clear scalability and route to market
 - ⌘ Lifesciences, technology, IP rich sectors are en vogue



Hybridan's Role

H Retained advisory services: quarterly description of the business to shareholders, presentation advice for fundraising focusing on the investment case and valuation, increase awareness among prospective investors, preparation for a liquidity event / IPO.

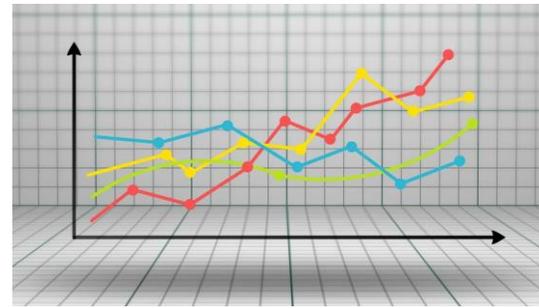


H Commissions on investor introductions: Fundraising services, focus on EIS /VCT, as well as secondary transfer work.



Project work: valuation work of listed shares on a probate or family matter as a single joint expert witness or single expert adviser to legal counsel.

Current Market Sentiment



- H UK small cap sentiment remains buoyant in 2021, continuing the positive momentum of 2020, in which the AIM market rose 21% compared to a decline of 14% in the Main market, a massive 35% outperformance.
- H AIM companies raised £5.3bn in 2020, the most since 2010. Private capital raisings have also remained strong.
- H While IPO activity was subdued in 2020, activity started to pick up in Q4, with 10 IPOs on AIM in the final quarter of the year raising £192m compared to three in Q3 raising £76m. That compares to only 10 IPOs on AIM in the whole of 2019, so life is certainly coming back to this entrepreneurial SME market.
- H Our daily Small Cap Feast, which tracks broad IPO activity in all small cap markets, including AIM, the Standard List and the Aquis Exchange, suggests momentum in new listings will continue in 2021, with companies such AMTE Power, Samarkand and Team expected to list in March, joining companies including Supreme, Kanabo Group, Cornish Metals, and Nightcap, that have already listed this year.
- H EIS and VCT funds, with high levels of funds to deploy, continue to seek both listed and unlisted opportunities. We strongly urge management teams aiming to raise growth capital not to delay in opening conversations with investors.

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