

► Portfolio Update

Thursday 23rd December 2021

Wishing you a Merry Christmas & Happy New Year



From all of the team at AIM Investor, we would like to take this opportunity to wish you Merry Christmas and best wishes for 2022!
Our offices close at 12.30pm on Friday 24th December and re-open on Wednesday 29th December.



 **AIM Investor**
FROM REGENCY CAPITAL

► Surface Transforms (SCE)

Thursday 23rd December 2021

Shares in Surface Transforms swing wildly after warning is followed by contract win

It's been a volatile few weeks for **Surface Transforms (SCE)** with the shares dropping due to an unscheduled profit warning and then bouncing back on major contract win...

The ceramic brake specialist said revenue for the year ending 31 December 2021 will be below £3m, significantly short of market expectations.

The reason for the shortfall centered on one particularly complex furnace, which SCE believe will be 'fully resolved imminently'. However, SCE said "given December is a short month, the Company is unlikely now to recover the sales gap in this financial year".

SCE also stated that "these sales have not been lost, the key OEM customers have not seen any impact and the revenue gap, whilst proportionately large in 2021, is small in relation to overall 2022 volumes and is expected to be recovered progressively through Q1 and Q2 2022."

This negative news was shortly followed by the announcement of a contract win with 'OEM 6'...

SCE said it has been notified of its selection as a tier one supplier of a carbon ceramic brake disc on the forthcoming launches of three cars of its existing customer, previously described as OEM 6.

The carbon ceramic disc will be fitted as standard to both axles on all three cars. The lifetime value of these contract wins is more than £45m - bringing the overall Company order book to in excess of £115m.

Share price volatility is part and parcel of investing in AIM stocks, and we're more than happy to continue to hold SCE.



▶ Character Group (CCT)

Thursday 23rd December 2021

Marlowe makes ‘strong start’ to the second half

Toy maker **Character Group (CCT)** released their preliminary unaudited results for year ended 31st August...

Underlying pre-tax profit more than doubled on the year from £5.4m to £11.2m, while revenue jumped 29% to £140m.

The shares had gapped lower earlier in the year due to the global supply crisis, but Jon Diver, Joint Managing Director said the Group remains on track to meet expectations:

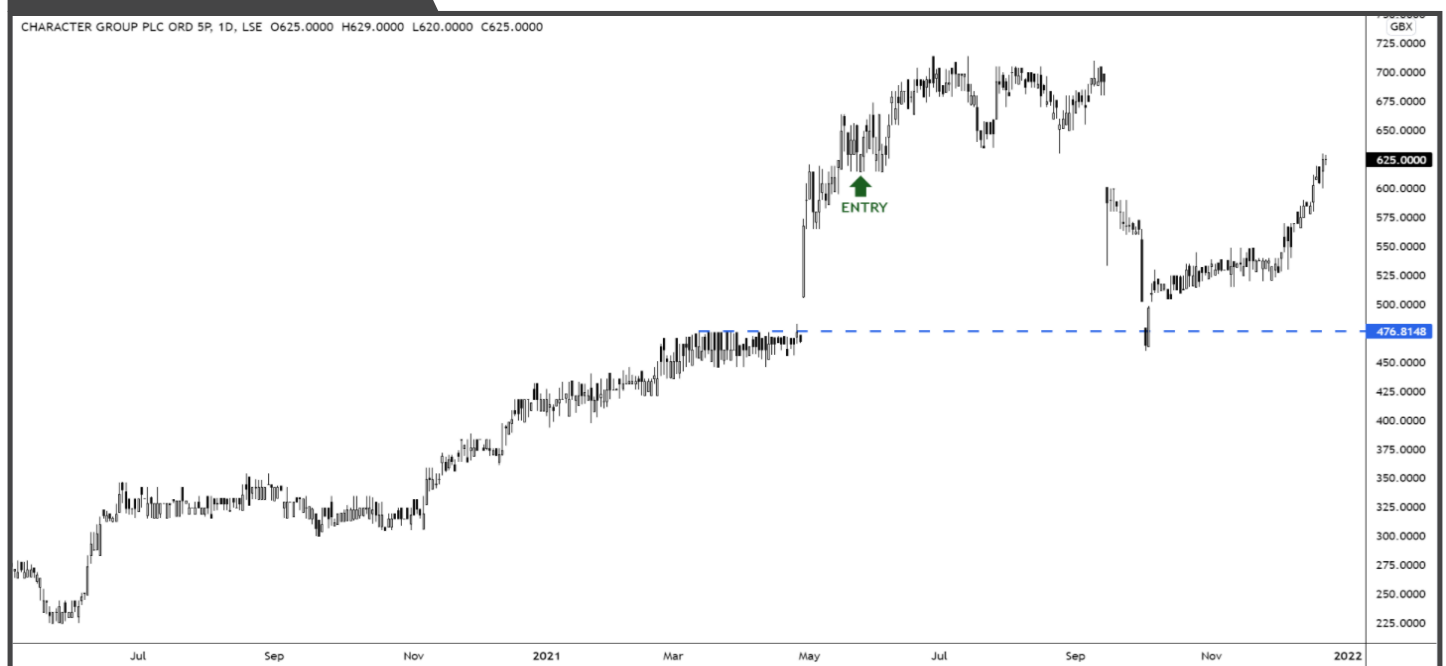
"Moving into 2022, our line-up of merchandise not only continues to feature some of the most sought-after toy products but will be further bolstered by the launch of a number of exciting new concepts, additions and brand extensions that the Group will unveil at the London Toy Fair in January 2022 and through to Spring of next year."

"The Board believes that margins will be under pressure due to high freight rates and increased materials and labour costs, however, it is satisfied that the Group remains on target to meet current market expectations."



Our decision not to panic is paying off and Character Group’s share price has fought well over the last two months. We remain happy to hold them.

CCT Daily Candle Chart



▶ Boohoo (BOO)

Thursday 23rd December 2021

Boohoo slash sales forecast

The storm clouds continue to gather for **Boohoo (BOO)** with shipping delays and 'exceptionally high return rates' creating severe headwinds for the fast fashion house...

Boohoo warned that full-year profits and sales will be lower than expected, almost halving previous guidance.

The company said it was suffering the effects of global shipping delays, rising costs linked to the pandemic, and "exceptionally high" levels of returns linked to an increase in sales of dresses.

However, these headwinds are expected to be transitory and there were some notable highlights within the numbers, which included a 32% jump in UK sales in the three months to November compared to a year earlier.

And Boohoo still has a very strong net cash position of £148m on a trailing twelve-month basis (TTM).

CEO John Lyttle, commented:

"The group has gained significant market share during the pandemic. The current headwinds are short term and we expect them to soften when pandemic-related disruption begins to ease."

"Looking ahead, we are encouraged by the strong performance in the UK, which clearly validates the Boohoo model" he added. "Our focus is now on improving the international proposition through continued investment in our global distribution network."



Somero (SOM)

Thursday 23rd December 2021

Somero raises guidance due to strong trading momentum to end H2

Somero's (SOM) recent trading update made for pleasant reading with the US-focused cement leveller saying it expects to exceed previous guidance for FY 2021.

Revenue guidance has been upped from approx. \$120m to approx. \$120m, adjusted EBITDA has increased from approx. \$42m to \$45m and net cash is set to come in at \$39m, up from a previously guided \$36m.

The strong trading momentum in H2 2021 has been led by *"strong trading in North America, healthy contributions to growth from Europe and Australia, with the remaining international markets performing as expected"* read the upbeat statement.

Somero's final 2021 results announcement is scheduled to be released on 9 March 2022.

The shares have performed well for us this year, but we are aware that construction demand is cyclical and hence we may look to crystallise profits into strength at some point early next year.



SOM Daily Candle Chart



► Cohort (CHRT)

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Cohort's half-year numbers disappoint

Cohort (CHRT) warned that earnings per share (EPS) would be 60% lower than last year due to weak performances from Chess and EID.

The defence technology firm said it had achieved revenue growth and strong order intake in the six months to 31 October 2021 and further improved its cash position, but COVID-19 restrictions have had some impact on both deliveries and orders.

"We anticipate a much stronger performance in the second half, but do not expect this to fully make up the shortfall. As a result, the Board now believes that Cohort's performance in 2021/22 will be materially below current market expectations" read Cohort's summary statement.



The shares dropped back to the bottom of the long-term range following the numbers and buyers have stepped in to support the shares at the bottom of the range.

Whilst we're not looking to buy a second tranche, given Cohort's record order book and strong contribution from acquisition ELA, we expect the stock to improve during the second half of its financial year.






Open Positions

Name	Ticker	Open Date	Entry Price	Current Price*	Profit/Loss (%)*
IG Design	IGR	25/07/2019	584	259.92	-55.49%
Bioventix	BVX	19/09/2019	3825	3330	-12.94%
boohoo	BOO	14/11/2019	266	121.08	-54.48%
Midwich Group PLC	MIDW	28/11/2019	599	638	6.51%
Learning Tech	LTG	02/01/2020	141	163.7	16.09%
Eckoh	ECK	16/01/2020	59	53	-10.16%
Kape Tech	KAPE	23/04/2020	174	426	144.82%
Cohort	CHR	07/05/2020	561	546.04	-2.66%
Anglo Asian Mining	AAZ	21/05/2020	142	112	-21.12%
Bango	BGO	18/06/2020	177	185.02	4.53%
Craneware	CRW	02/07/2020	1705	2360	38.41%
Robinson	RBN	16/07/2020	121	84.95	-29.79%
Oxford Metrics	OMG	30/07/2020	75.2	115	52.92%
Ideagen	IDEA	13/08/2020	197	251	27.41%
Begbies Traynor	BEG	27/08/2020	84.9	134.8	58.77%
Sureserve	SUR	08/10/2020	53	94.4	78.11%
Spectra Systems	SPSY	22/10/2020	190	150	-21.05%
Pan African Resources	PAF	05/11/2020	22	17.26	-21.54%
Tracsis	TRCS	03/12/2020	622	993	59.64%
Restore	RST	17/12/2020	375	488	30.13%
Central Asian Metals	CAML	07/01/2021	268	240.29	-10.33%
Somero	SOM	21/01/2021	385	532.2	38.23%
Inspecc	SPEC	18/02/2021	329	369.8	12.40%
Ceres Power	CWR	18/03/2021	1094	974.4	-10.93%
Eckoh	ECK	15/04/2021	78.7	53	-32.65%
Tremor International	TRMR	29/04/2021	715	548	-23.35%
MPAC Group	MPAC	13/05/2021	524	511.24	-2.43%
Character Group	CCT	27/05/2021	635	628	-1.10%
Bango	BGO	10/06/2021	210	185.02	-11.89%
Keywords Studios	KWS	24/06/2021	2490	2764	11.00%
Science Group	SAG	08/07/2021	396	454.44	14.75%
Xpediator Plc	XPD	22/07/2021	70	44	-37.14%
Ixico	IXI	05/08/2021	68	56.4	-17.05%
EQTEC	EQE	19/08/2021	1.29	1.2	-6.97%
Renold	RNO	02/09/2021	23	30.65	33.26%
Gattaca	GATC	16/09/2021	207	149	-28.01%
Yellow Cake	YCA	30/09/2021	332	339	2.10%
TMX Impact	TPX	14/10/2021	235	245	4.25%
Enwell Energy	ENW	28/10/2021	42.3	35	-17.25%
Marlowe Plc	MRL	11/11/2021	937	985.2	5.14%
Warpaint London	W7L	25/11/2021	155	155.15	0.09%
Surface Transforms	SCE	09/12/2021	54	53	-1.85%
Mulberry	MUL	16/12/2021	320	339	5.93%

Closed Positions

Name	Ticker	Open Date	Open Price	Closed Price	Close Date	Profit/Loss (%)*
Trans-Siberian Gold	TSG	31/01/2019	44.3	50.0	28/01/2020	+12.87%
Dart Group	DTG	27/06/2019	831	1712	28/01/2020	+106.82%
Johnson Service	JSG	08/08/2019	165	126	30/04/2020	-23.64%
Churchill China	CHH	24/10/2019	1580	1460	30/04/2020	-7.59%
Best Of The Best	BOTB	12/12/2019	320	603	13/05/2020	+88.44%
Goldplat	GLDP	12/03/2020	4,300	7,690	30/07/2020	+78.84%
Highland Gold	HGM	13/02/2020	205	294.40	05/08/2020	+45.07%
Codemasters	CDM	14/02/2019	178.7	370.0	06/08/2020	+107.05%
Sylvania	SLP	03/10/2019	36.93	67.50	03/09/2020	+82.78%
Frontier Developments	FDEV	30/01/2020	1404	2401	11/11/2020	+71.01%
Frontier Developments (2 nd tranche)	FDEV	26/03/2020	1157	2401	11/11/2020	+107.52%
Quartix	QTX	05/09/2019	335	370	08/12/2020	+10.40%
Ergomed	ERGO	09/04/2020	453	925	08/12/2020	+104.19%
Scientific Digital Imaging	SDI	22/08/2019	53	122.90	31/01/2021	+131.89%
Gamma Communications	GAMA	28/12/2019	876	1910	20/05/2021	+118.13%
Keystone Law	KEYS	18/04/2019	426	640	02/06/2021	+50.23%
GB Group	GBG	31/10/2019	610	901	10/06/2021	+47.70%
D414 Solutions	D4T4	14/03/2019	223.7	345	30/06/2021	+54.22%
Clinigen	CLIN	28/03/2019	918	613	14/07/2021	-33.22%
Alumasc Group	ALU	01/04/2021	173	261	26/07/2021	+50.87%
MTI Wireless Edge	MWE	04/06/2020	38.5	80	17/08/2021	+107.79%
Arcontech	ARC	19/11/2020	198	142.70	02/09/2021	-27.93%
Renew Holdings	RNW	27/02/2020	525	797	06/09/2021	+51.81%
Renew Holdings (2 nd tranche)	RNW	24/09/2020	432	797	06/09/2021	+84.49%
Next Fifteen Communications	NFC	10/09/2020	480	1154	14/09/2021	+140.42%
Ramsdens Holdings	RFX	11/07/2019	189.94	155	29/11/2021	-14.40%
Quixant	QXT	04/02/2021	128	160.10	29/11/2021	+28.10%
Serica Energy	SQZ	04/03/2021	120	209	29/11/2021	+77.10%

*Prices correct as of 22nd December 2021. The table above shows ALL stock recommendations since AIM Investor's launch on 4th January 2019. Please be aware that all entry and current price levels are mid-prices. Profit/loss includes any dividends received during holding period. No allowance for dealing costs, fees or taxes has been made. Past performance is not a guarantee of future performance.

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