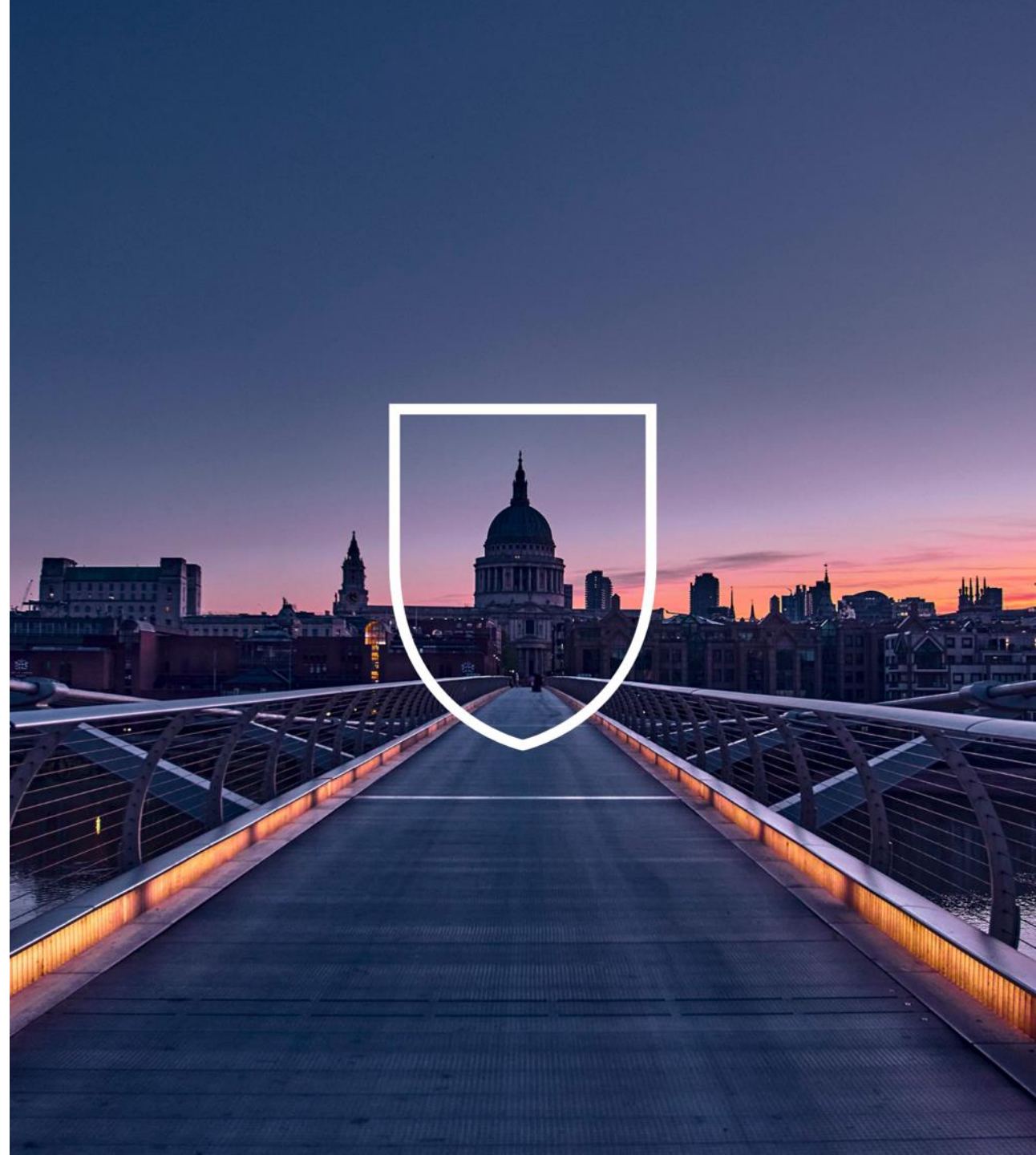




**LONDON
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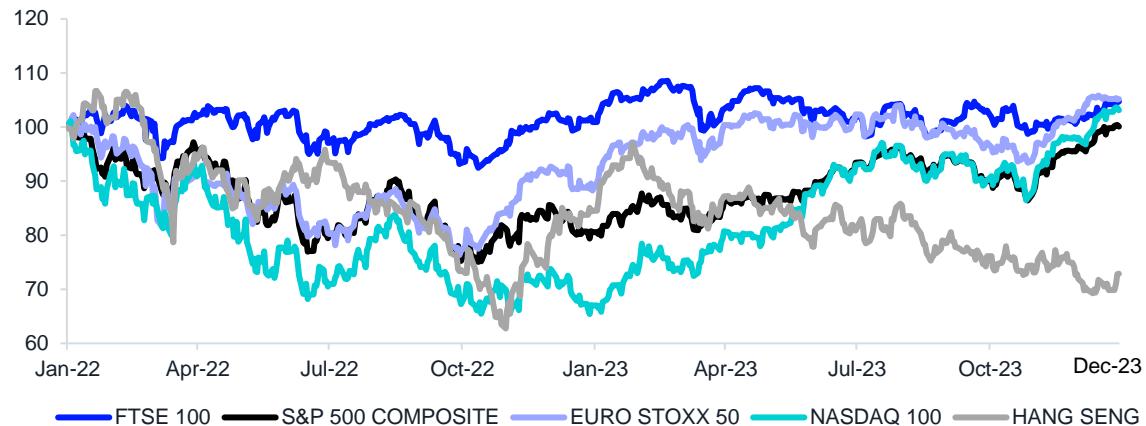
EQUITY CAPITAL MARKETS UPDATE

Q4 2023



Global Equity Market Performance

Global Markets advance as interest rates near ceiling



Elevated inflation levels begin to stabilize

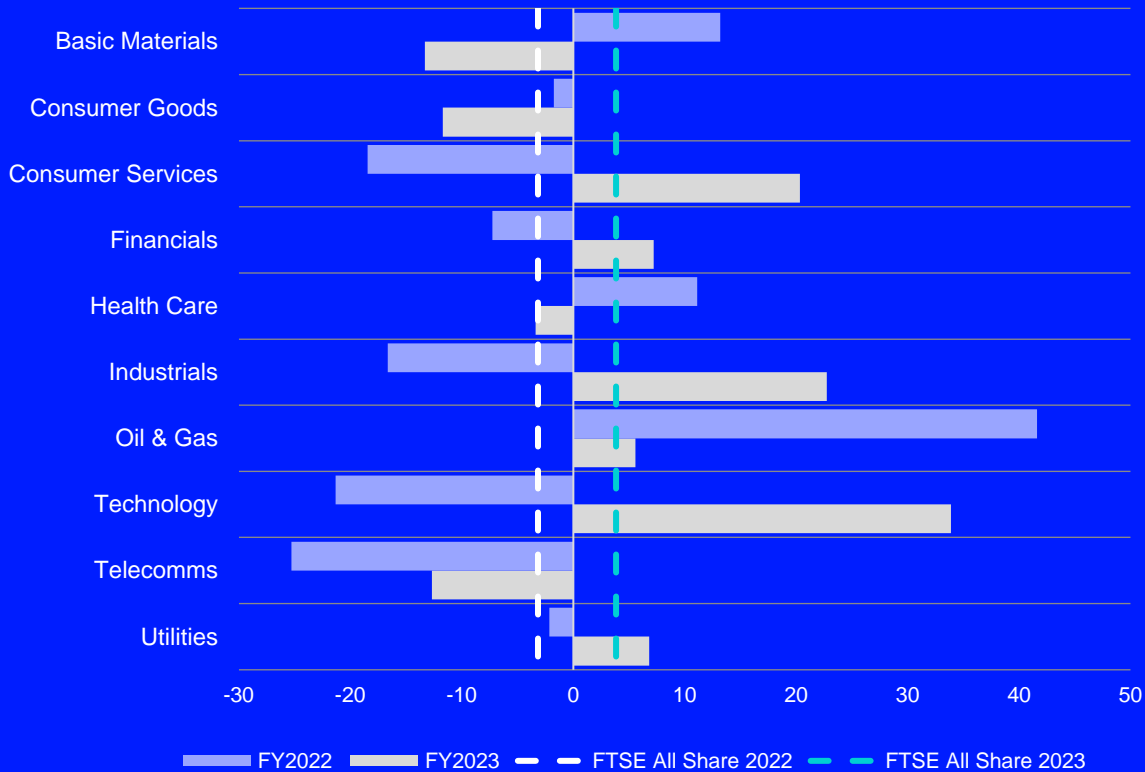
	Real GDP (%)			CPI Inflation (%)			Policy Rates		
	23E	24E	25E	23	24E	25E	23	24E*	25E*
UK	0.5	0.4	1.2	7.4	3.0	2.1	5.3	4.5	3.4
Eurozone	0.5	0.6	1.4	5.5	2.5	2.1	4.5	3.8	3.0
US	2.4	1.3	1.7	4.1	2.6	2.3	5.5	4.3	3.3
China	5.2 ^A	4.5	4.3	0.2	1.4	1.8	3.5	-	-
Japan	2.0	0.8	1.0	3.2 [†]	2.3	1.7	0.0	0.0	0.2

VIX falls to lowest level since 2019 on hopes of a soft landing

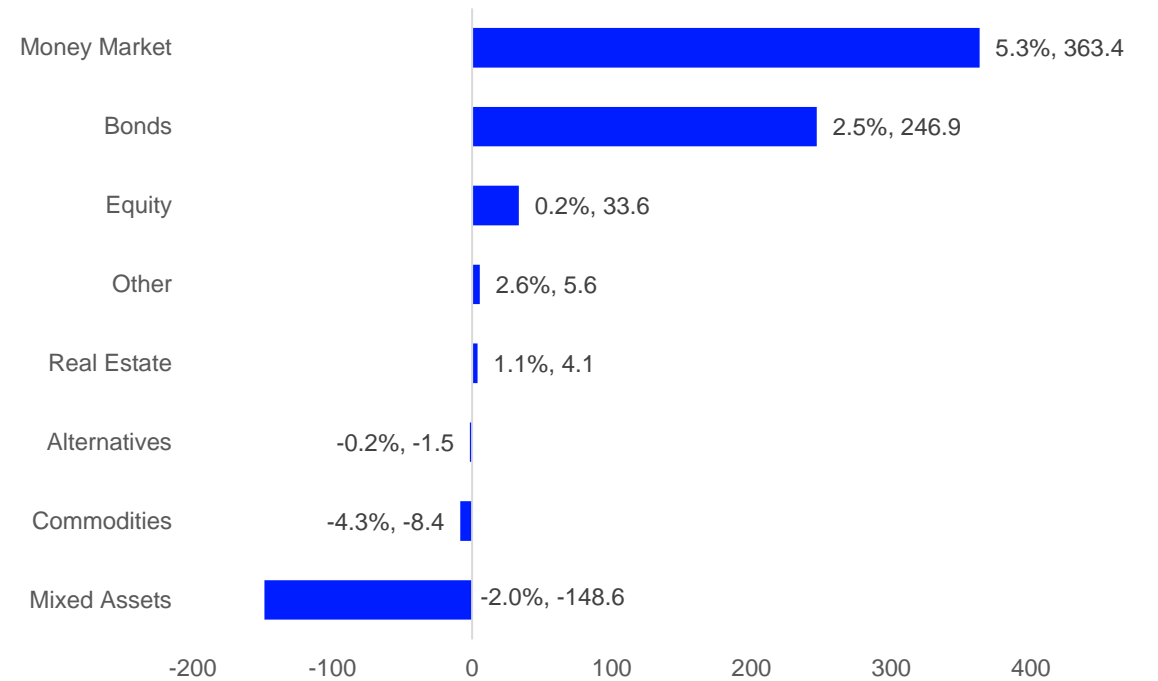


What Sectors Have Driven Performance?

FTSE All-Share Sector Returns 2023

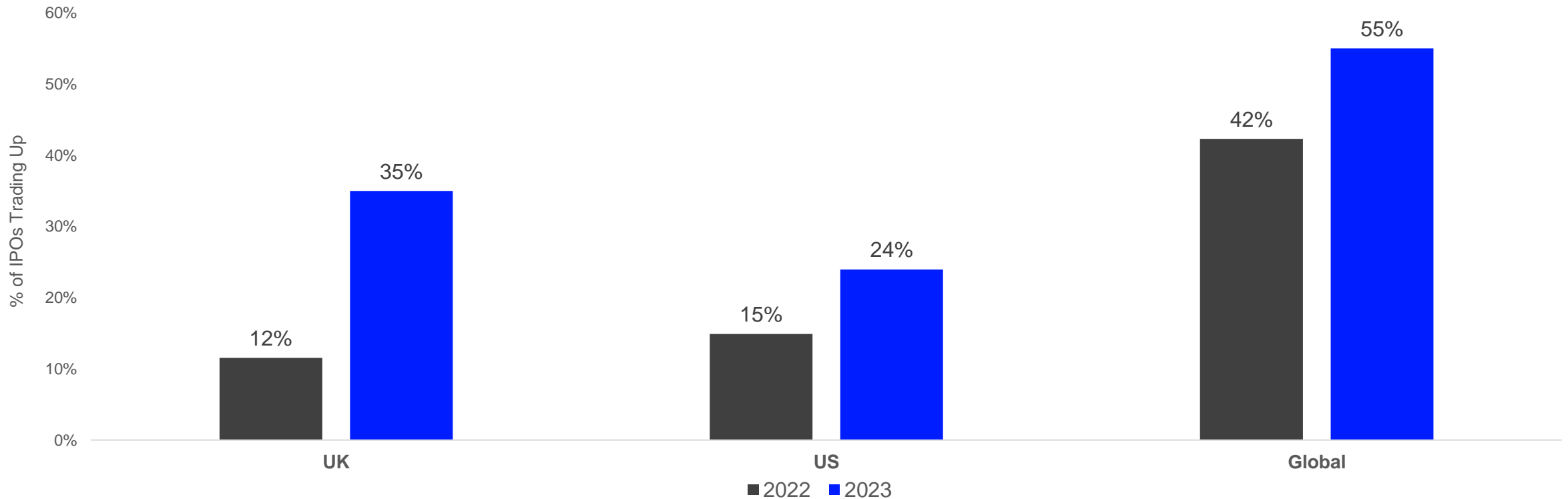


Net Flows From Global Funds Jan-Nov 2023*



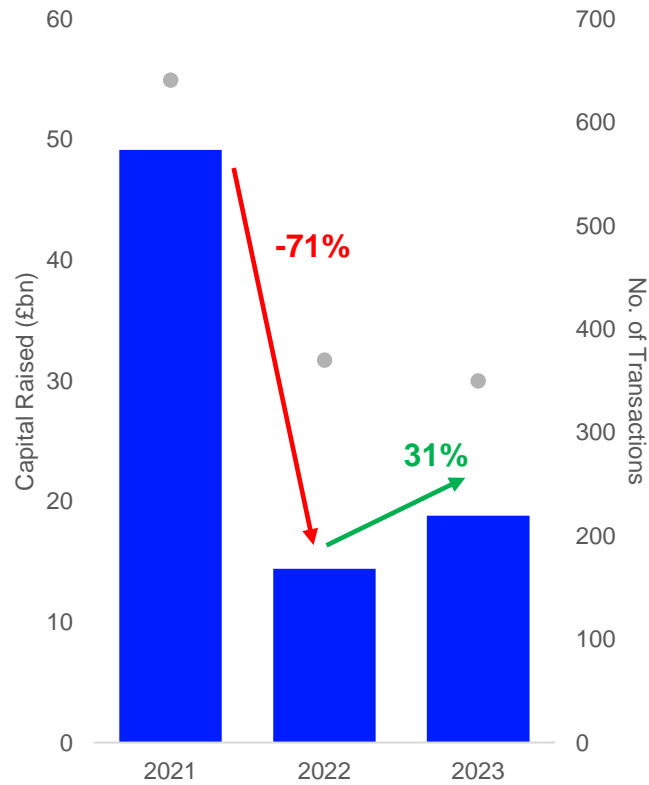
Valuation Gap Continues to Narrow as Investor Sentiment Improves

Improved investor confidence can be observed across major venues as more IPOs launched in 2023 are trading above their offer price than the 2022 IPO cohort.

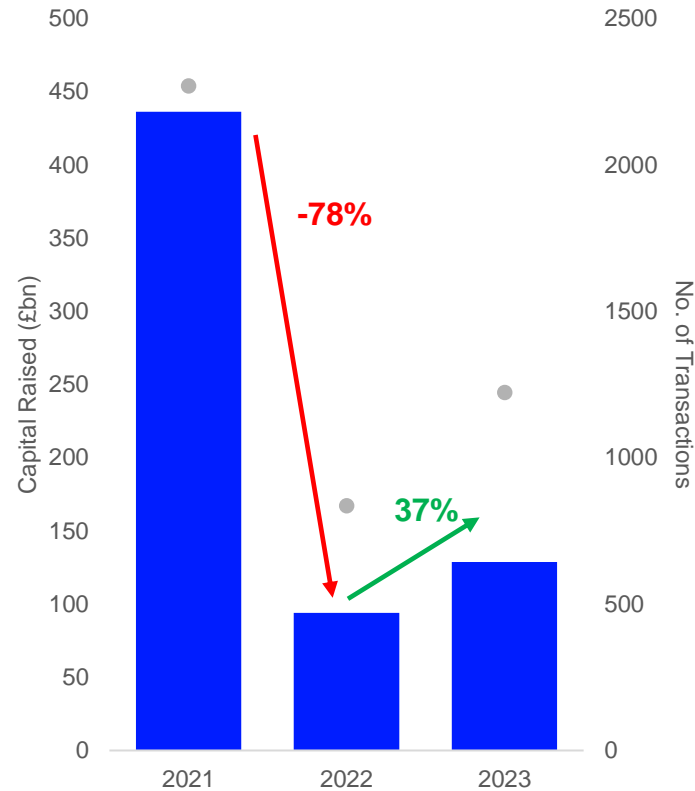


UK and US Capital Market Volumes Rebounded in 2023

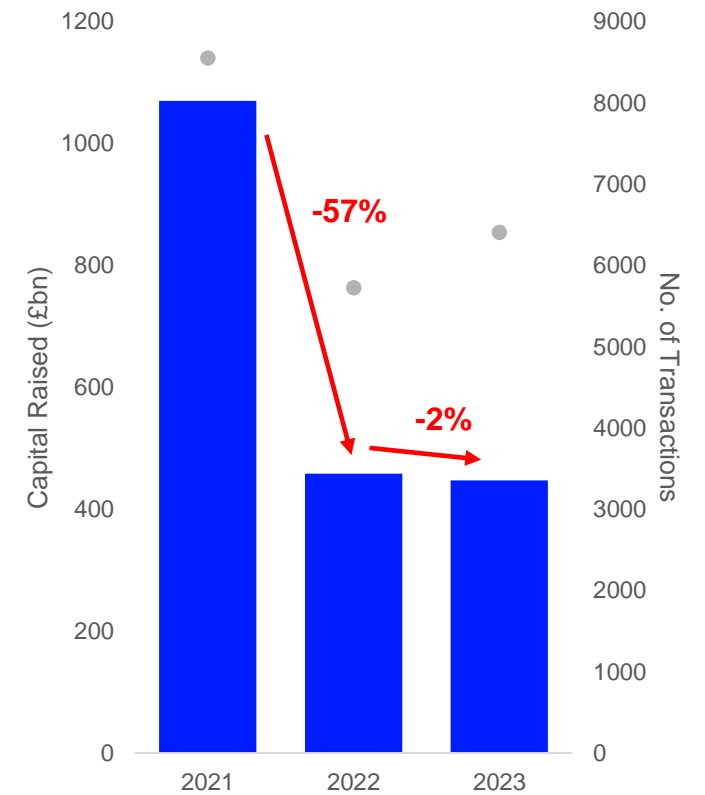
UK Capital Market Volumes



US Capital Market Volumes



Global Capital Market Volumes



■ Capital Raised ● No. of Transactions



Equity Performance vs European Markets

£18.8bn

£18.8bn was raised in London through IPOs & FOs in 2023

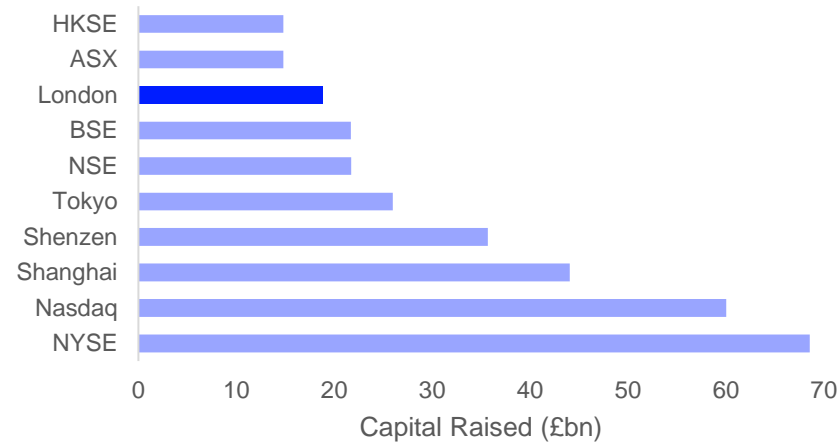
2.3x

2.3x more capital raised than the next European exchange, Stockholm (£8.1bn)



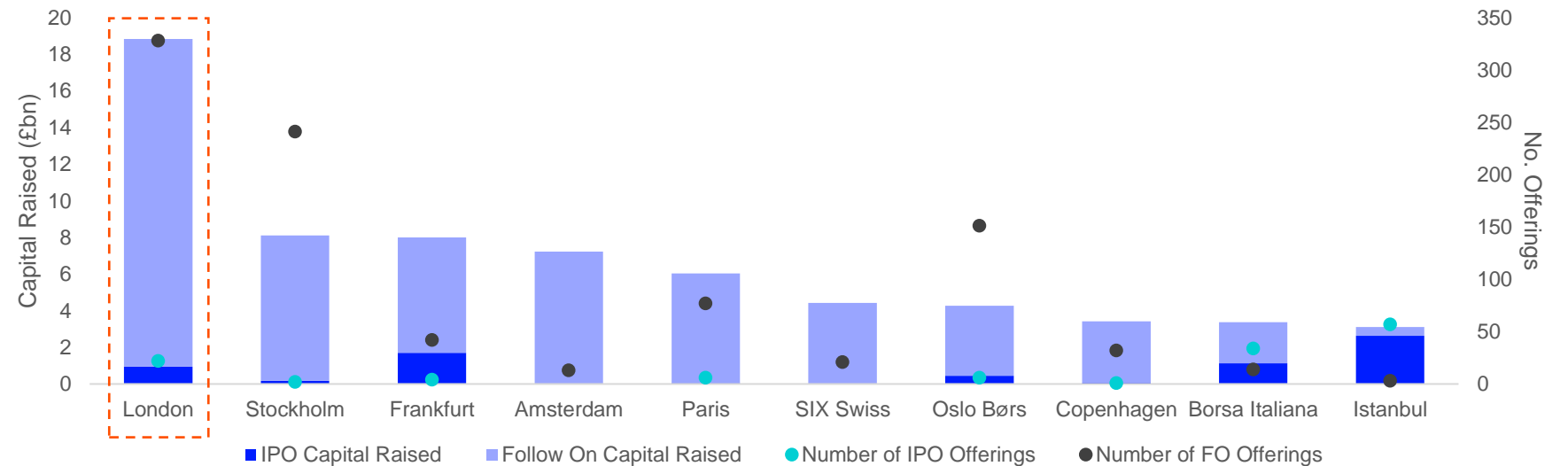
Source: London Stock Exchange, Dealogic, January 2024.

Top 10 Exchanges Globally in 2023



- More capital has been raised in London in 2023 than the next two European exchanges, Stockholm and Frankfurt combined
- 240+ London-listed companies have raised capital in 2023

Top 10 European Exchanges in 2023



Europe's Growth Market Engine - AIM

£1.6bn

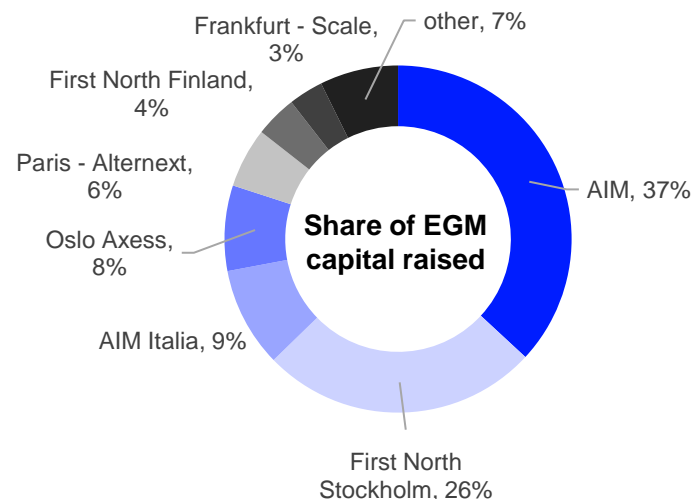
raised on AIM through 239 IPOs & FOs in 2023

1.4x

1.4x more capital raised on AIM than the next European growth market, First North Stockholm (£1.1bn)



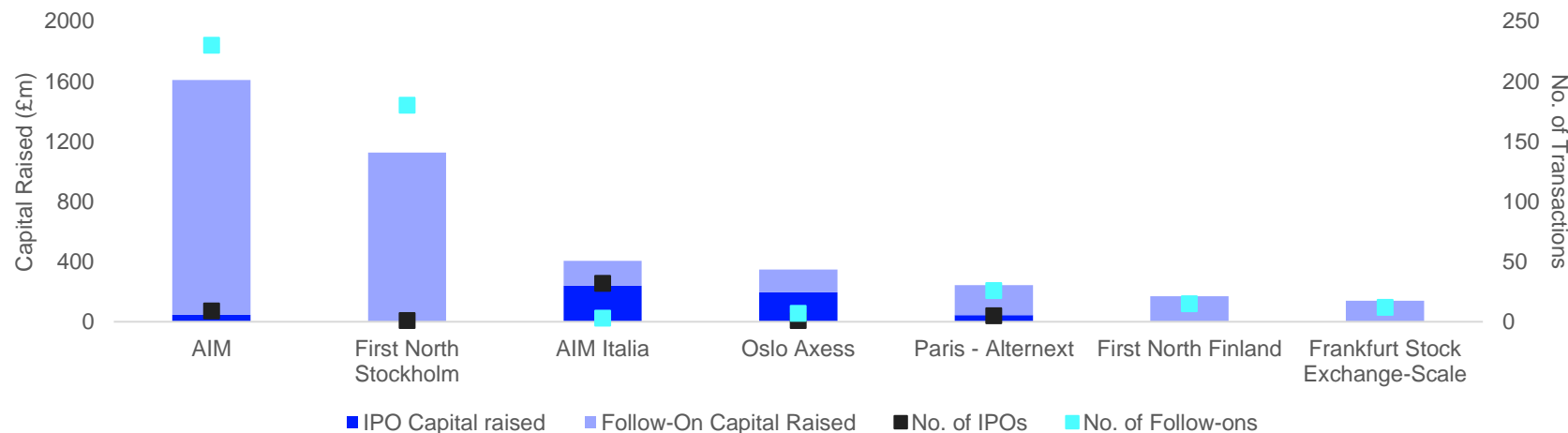
Source: London Stock Exchange, Dealogic, January 2024



Top 15 European Growth Market Deals in 2023

Company	Deal Type	Growth Market	Proceeds (£m)
SigmaRoc plc	Follow-On	AIM	198.8
Seacrest Petroleo Bermuda Ltd	IPO	Oslo Axess	195.0
Technoprobe SpA	Follow-On	AIM Italia	157.3
OX2 AB	Follow-On	First North Stockholm	123.2
Yellow Cake plc	Follow-On	AIM	102.9
Franchise Brands plc	Follow-On	AIM	96.7
H&K AG	Follow-On	Paris Marche Libre	91.4
Kempower Oyj	Follow-On	First North Finland	88.8
Nordic Mining ASA	Follow-On	Oslo Axess	75.4
Italian Design Brands SpA	IPO	AIM Italia	70.2
Cibus Nordic Real Estate AB	Follow-On	First North Stockholm	64.0
Humble Group AB	Follow-On	First North Stockholm	63.6
Hampidjan hf	Follow-On	First North Iceland	62.4
Formycon AG	Follow-On	Frankfurt - Scale	62.0
Yellow Cake plc	Follow-On	AIM	61.8

Top 7 European Growth Exchanges in 2023



Strong Follow-On Performance

327

FOs in London in 2023

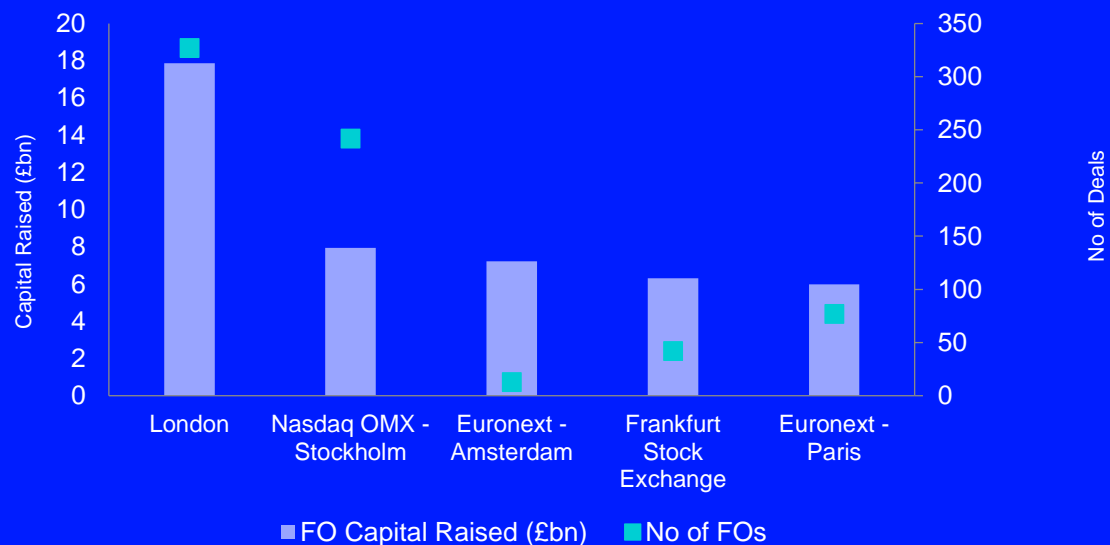
£17.9bn

has been raised in London through FOs in 2023

#1

European Exchange by capital raised through FOs in 2023

Top 5 European Exchanges in 2023 For Follow-On Capital



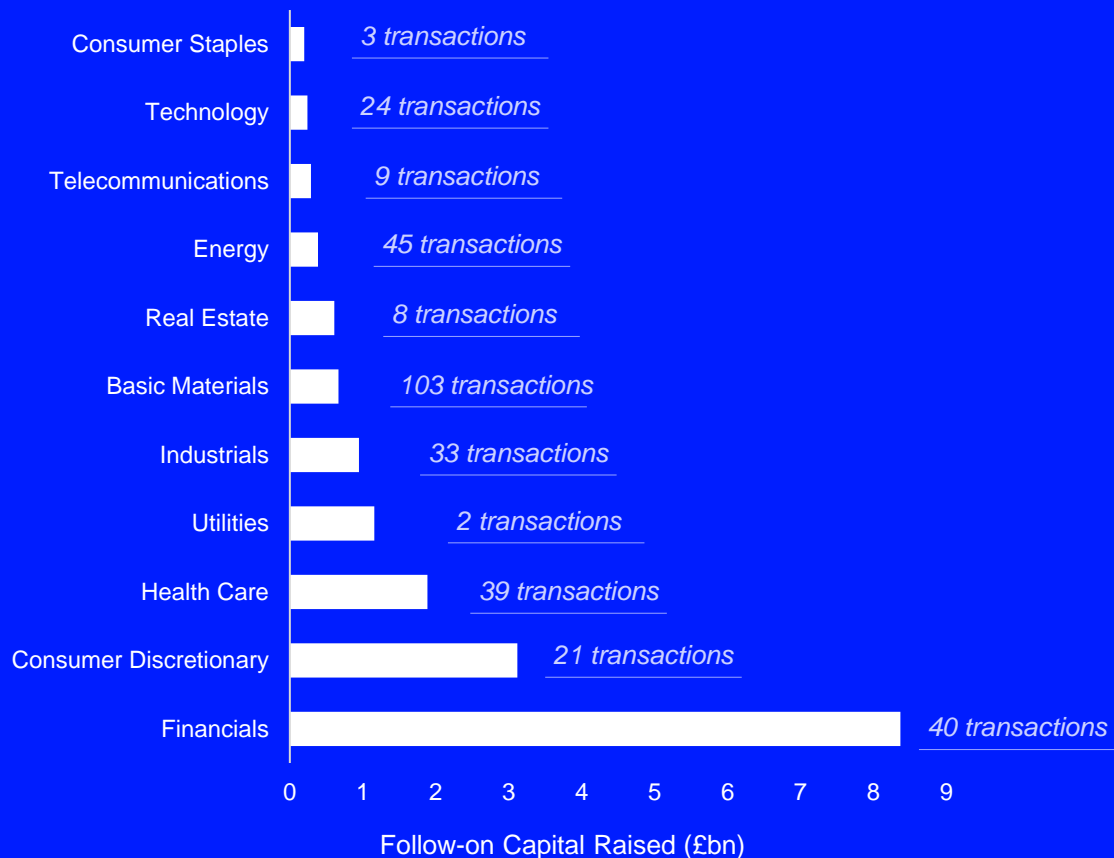
Source: London Stock Exchange, Dealogic, January 2024

Serial Fundraisers Return to the Market in 2023



Company	Barclays	ASOS	SigmaRoc	Centrica
ICB Sector	Banks	Retailers	Construction and Materials	Gas, Water and Multi-utilities
Current Market Cap (£m)	23,580	461	633	8,210
Total Follow-On Capital Raised (£m)	18,651	987	600	4,242
No. of FOs Since Listing	11	10	8	6


Follow Ons in 2023




Over 240 London-listed issuers raised £17.9bn further capital to finance various growth opportunities and corporate needs

Acquisitions/ Expansion


£2.3bn




Entain raised £594million to finance the acquisition of STS Holding S.A.




Zegona Communications raised £264million to fund the acquisition of Vodafone Spain.




Diversified Energy raised £133million for the acquisition of Tanos Energy.




Big Yellow raised £108million to build out the group's existing pipeline of stores.



Metro Bank Holdings raised £150m in November 2023 for working capital and to strengthen its balance sheet.



Yellow Cake raised £103m for general purposes including the purchase of 1.5Mn lbs of uranium under the company's agreement with JSC National Atomic Company, Kazatomprom.



Gresham House Energy Storage Fund raised £48million to finance their first US investment, constructing two solar-plus-storage projects in California, USA.

Working Capital/ Project Financing

£1.0bn

Repay Debt

£2.4bn



TUI raised £1.6billion towards the full repayment of its Silent Participation I and Warrant Bond.



Aston Martin Lagonda Global Holdings raised £212million to deleverage its balance sheet to become free cash flow positive from 2024.



Synthomer raised £277million to reduce borrowings and manage balance sheet leverage.



3i Infrastructure raised £102m to pay down drawings on their revolving credit facility, and secure liquidity for future investment.



Case Study: Chapel Down Group

- Chapel Down is an English wine producer of a range of sparkling and still wines, based in Kent, United Kingdom. The company owns leases and sources from 1,023 acres of vineyards in Southeast England, of which 750 acres are fully productive.
- The company sold 1.4 million bottles of wine in 2022, generating revenue from off-trade, on-trade, export, and direct to consumer e-commerce and retail sales.
- In December 2023, Chapel Down's shares were admitted to AIM via an introduction. The company had a market capitalization of £86 million at the time of admission.
- Having been admitted to Aquis Stock Exchange for over 20 years, the company decided to move its shares to the AIM market, with a view to attract a wider pool of institutional investors to back its growth plans of doubling in size by 2026. Chapel Down reportedly had a record 2023 harvest, with tonnage 86% higher than 2022.

Watch a replay of the Market Open livestream [here](#).



Company name

Chapel Down Group PLC

LSE market

AIM

FTSE ICB sector

Beverages

Main country of operation

United Kingdom

Admission date

7th December 2023

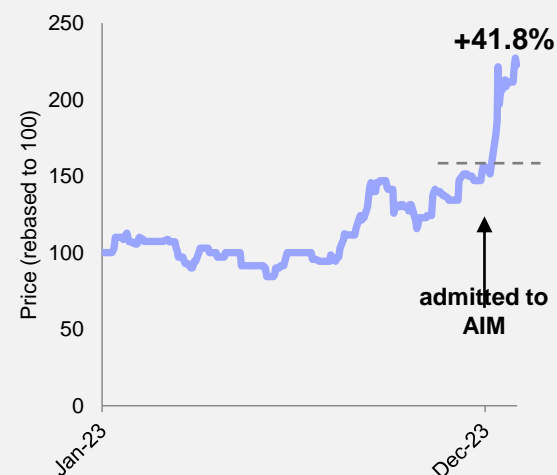
Market cap on admission

£86.0 million

Current market cap

£128.3 million

Chapel Down shares closed 2023 with a 41.8% gain since AIM admission

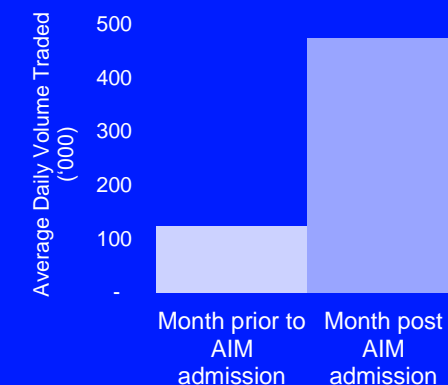


The decision to move the Company's shares to AIM reflects increasing demand from institutional investors. We believe it will help attract new investors to participate in Chapel Down's growth as the leading producer in the world's newest global wine region."

Andrew Carter

CEO of Chapel Down

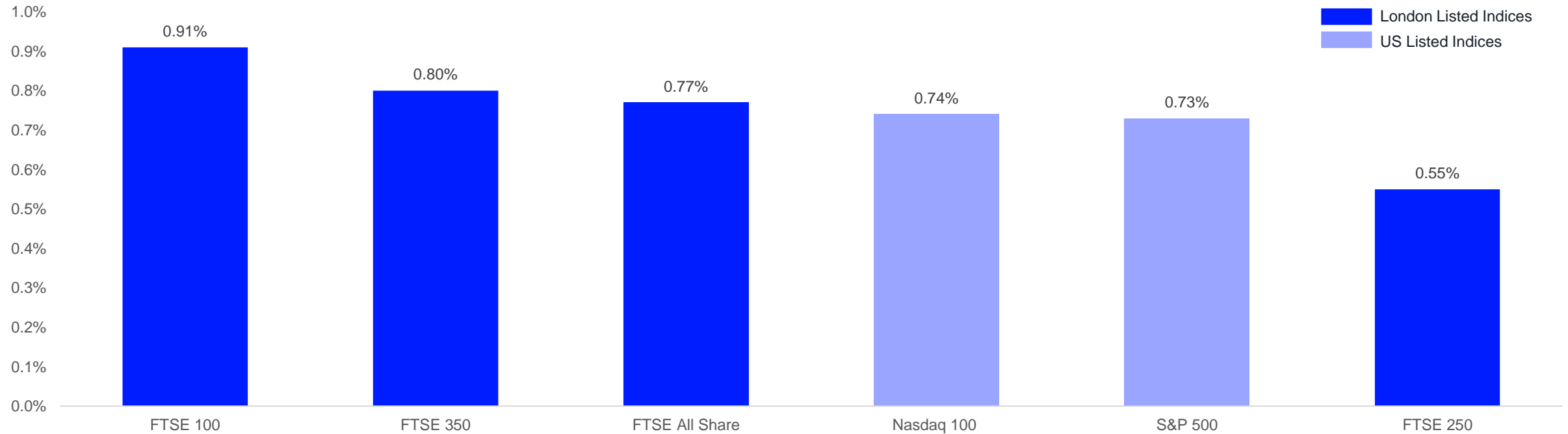
Average Daily Volume Traded has increased by 3.8x times



London Liquidity is Comparable with the US

When using a metric which accounts for market size, and that uses fully comparable volume data, liquidity in London and New York is broadly on par.

Average Daily Free-Float Adjusted Turnover Ratio by Index, 2023 (12 months)



Green Economy Mark

110

Green Economy Mark companies and funds*

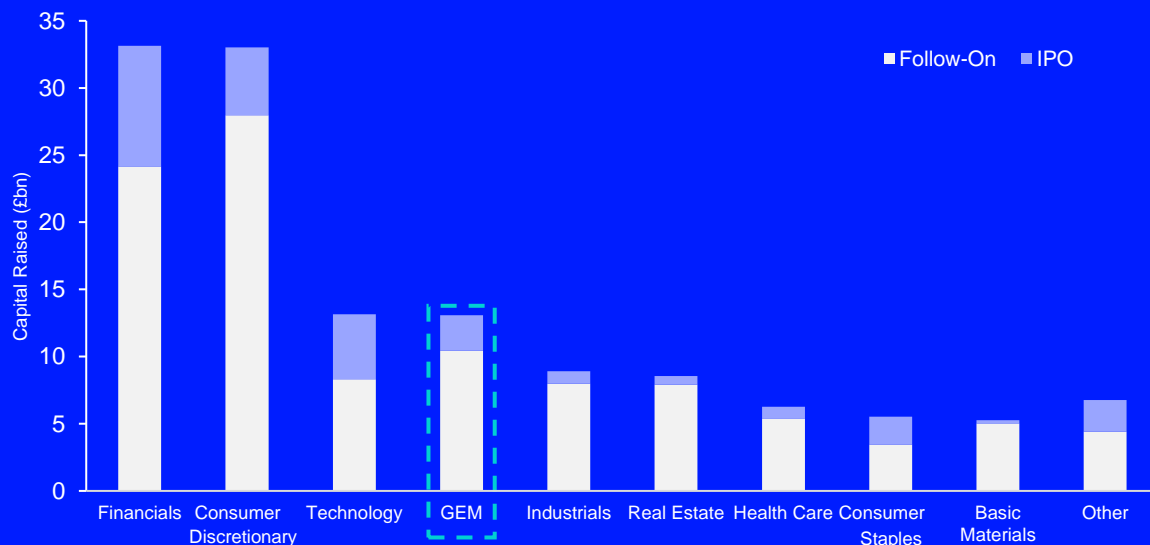
£158bn

Combined Market Cap of Green Economy Mark companies and funds*

29%

of Green Economy Mark issuers are Green Funds

Green Economy Mark (GEM) cohort as an Industry 2020 – 2023



Green Economy Mark companies and funds returned to market in 2023 raising £1.4bn in follow-on capital, including:



New Green Economy Mark issuers in 2023

Company	Market	ICB Industry
Barratt Developments	MAIN	Consumer Discretionary
Beeks Financial Cloud Group	AIM	Technology
Berkeley Group Holdings	MAIN	Consumer Discretionary
Land Securities Group	MAIN	Real Estate
Macfarlane Group	MAIN	Industrials
Powerhouse Energy Group	AIM	Energy
Tritax EuroBox GBP	MAIN	Real Estate
Water Intelligence	AIM	Industrials
Surface Transforms plc	AIM	Consumer Discretionary

In Focus: Sustainable Finance



Green Economy Mark & Voluntary Carbon Market Designation Issuers

78
Corporates

32
Funds

60
Main Market

50
AIM

1
VCM Designated
Fund



Source: London Stock Exchange. As of 2nd January 2024. London Stock Exchange's Green Economy Mark identifies London-listed companies and funds that derive 50% or more of their revenues from green products and service.



In October, LSEG hosted the Transition Plan Taskforce (TPT) to celebrate the launch of the TPT's best practice framework for credible climate transition plans. In H1 2024, the FCA will look to consult on strengthening its requirements for transition plan disclosures in line with the TPT Disclosure Framework.

In November, the London Stock Exchange partnered with the Natural Resources Forum to kick off their ESG Week, focused on the role of the energy and mining sectors in the low-carbon transition. [Watch here](#)



During COP28 in December 2023, Julia Hoggett, CEO of LSE plc, spoke at a joint UN SSE/IOSCO panel on exchanges, and chaired a roundtable with global exchanges, emphasising their role in enabling the climate transition. Claire Dorrian, Head of Sustainable Finance at the London Stock Exchange discussed the critical role of carbon markets and the challenges in scaling and growing trust in the market, on a number of panels organised by the City of London, VCMI (The Voluntary Carbon Markets Integrity Initiative) and the Al-Attiyah Foundation.



More information on the London Stock Exchange's Sustainable Finance offering can be found [here](#).

FUNDS



**LONDON
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Fund Capital Raising was led by Secondary Issuances

£1.2bn

Total capital raised

35

Funds returned to market

- Existing London-listed funds returned to market raising £1.13bn in further capital, in 2023.
- Having raised £315m, the Hedge Funds sector led further issuances in 2023, followed by Global Equity Income and UK Equity Income sectors which raised £190m and £175m respectively.
- Onward Opportunities and Ashoka WhiteOak Emerging Markets Trust were launched in 2023 raising a combined £43 million. The funds provide access to smaller UK companies and equities exposed to global emerging markets, respectively. Both funds returned to market post-IPO, raising a further £6m combined in Q4 2023.



Source: London Stock Exchange, Dealogic, AIC, January 2024. Includes Block listings.

Primary issuance highlights

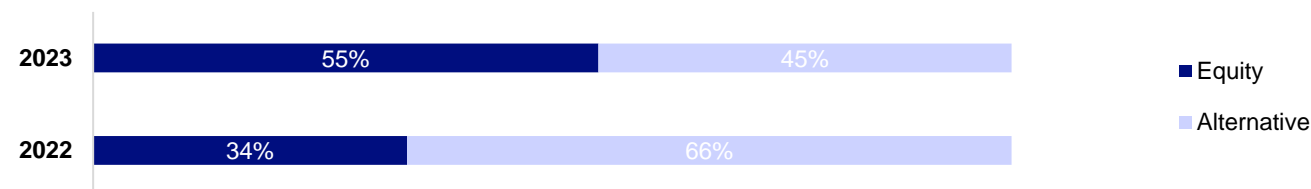


	Onward Opportunities Ltd	Ashoka WhiteOak Emerging Markets Trust
Admission Date	30 March 2023	03 May 2023
Market	AIM	Main Market - Premium
Market Cap at admission (£m)	12.8	30.5
Market Cap (present, £m)	16.2	33.0

Largest secondary fundraising issuers

Company name	AIC Sector	Capital Raised (£m)
BH Macro	Hedge Funds	315
JPMorgan Global Growth & Income	Global Equity Income	181
City of London Investment Trust	UK Equity Income	105
3i Infrastructure	Infrastructure	102
Castelnau Group	Flexible Investment	57

Equity vs alternative funds capital raising



Funds: A Bumper Year for Corporate Activity

9

Manager changes

26

Funds changed fees

4

Completed mergers

50%

Average growth in market cap post-merger

- As proactive boards responded to market conditions and deep discounts, numerous funds merged, changed manager or changed fee structures to maximise value to investors.
- 2023 was also a strong year for share buybacks, with c.£3.6bn repurchased compared to c.£2.7bn in 2022, a 32% increase.

Funds under strategic review

Fund Name	Market Cap (£m)
GCP Asset Backed Income	293
Abrdn European Logistics Income	234
Digital 9 Infrastructure	213
Ecofin US Renewables Infrastructure	78

M&A

Acquiror	Target	Completion Date	Value (£m)
Shires Income	Abrdn Smaller Companies Income	Dec 2023	35
Asia Dragon Trust	Abrdn New Dawn Investment Trust	Nov 2023	215
Nippon Active Value Fund	Abrdn Japan Investment Trust	Oct 2023	62
Nippon Active Value Fund	Atlantis Japan Growth	Oct 2023	57
Henderson High Income	Henderson Diversified Income	Jan 2024	72
JPMorgan UK Smaller Companies*	JPMorgan MidCap Investment Trust	H1 2024	TBC
STS Global Income & Growth*	Troy Income & Growth	H1 2024	TBC
Fidelity China Special Situations*	abrdn Investment Company	H1 2024	TBC

* Expected to complete in H1 2024

Investment Fund Discounts Narrow

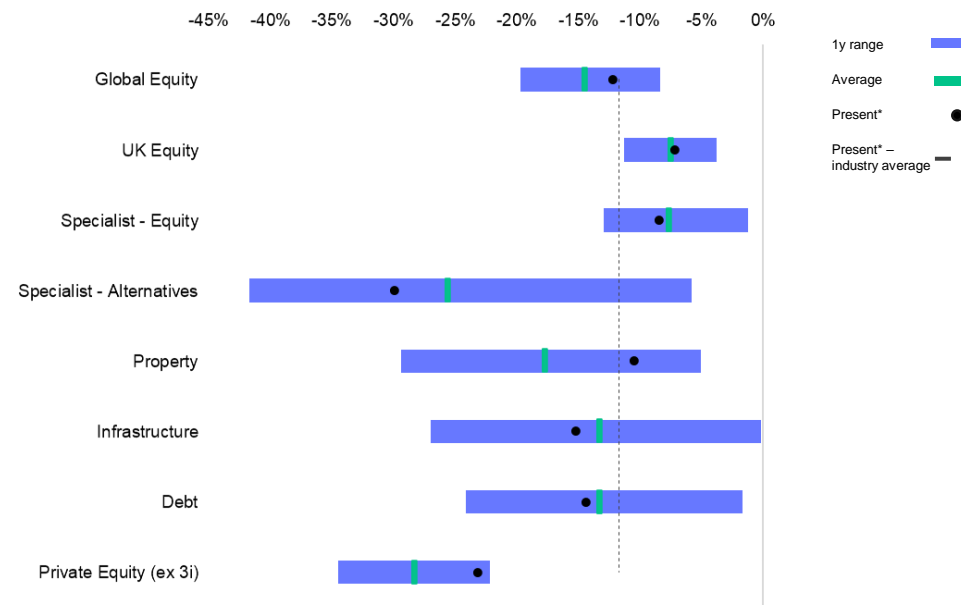
- 2023 was a challenging year for closed-ended investment funds with the average fund having spent the entirety of the year trading at a discount of more than 10% to the value of its underlying assets.
- Rising interest rates, economic uncertainty, and investor caution contributed to the de-rating of the industry during the first 3 quarters of 2023. A notable recovery took place in Q4, as industry wide discounts narrowed to -11% in December from their October lows of -16%.

Industry Average discounts/premiums to NAV



Source: London Stock Exchange, LSEG Workspace, AIC, Numis, Winterflood. January 2024. *present, as at 21/12/2023

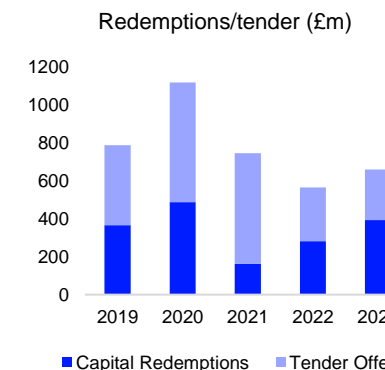
Discount/premium to NAV sector breakdown



Buybacks & tenders

In the first 11 months of 2023, buybacks totalled **£3.57bn**, 41% higher than the equivalent period in 2022 (**£2.53bn**). Worldwide Healthcare Trust (£220m) bought back more shares than any other fund, followed by RIT Capital Partners (£160m) and Capital Gearing Trust (£143m).

Tenders totalled £393m for 2023, up 40% from 2022. Pantheon International repurchased £150m worth of shares following their tender offer in October.



EVENTS



**LONDON
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IPO Forum – November 2023

The London Stock Exchange, in partnership with Computershare, Clifford Chance, Deutsche Numis, H/Advisors Maitland, KPMG and STJ Advisors hosted our flagship **IPO Forum on Tuesday 14 November 2023**.

The event was organized to assist management teams and shareholders of UK and international private companies considering a possible IPO, on either AIM or the Main Market. Our guest speakers and industry experts spoke about various aspects of an IPO transaction, and investors and listed corporates provided insights on their IPO journey.

Topics covered:

- What you need to know about raising capital to grow your business
- The IPO Process - what to expect from the transaction and how to manage it most effectively
- Sharing the experience of becoming a listed company
- The forum provides insight into preparing for an IPO and the IPO process.

Over 560 registered to attend the event hosted at the London Stock Exchange.

[Watch here](#)



MENA Regulatory Summit

- On the 4th of October 2023, the 15th edition of the 2023 MENA Regulatory Summit was held. The Summit was organized by the London Stock Exchange Group (LSEG) with the sponsorship of the Qatar Financial Information Unit.
- The 2023 Summit brought together global and regional experts such as Governments, law enforcement agencies, regulators and international corporations to discuss ways of facing increasingly sophisticated cross boarder financial criminal activity.
- The Summit focused on many vital subject matters such as strengthening MENA defence mechanisms against trade-based financial crime, increasing regulatory scrutiny of Greenwashing, impact of FinTech on fighting financial crime, strengthening asset recovery and combating illicit finance of cyber enabled crime.



Celebrating our Issuers and the Wider Community

In Q4 we were delighted to celebrate a multitude of success stories and partnerships at the Exchange, with guests invited to participate in our historic Market Open and Close ceremonies.

Some of our commemorations over the period included:

- Murray Income Trust: Keeping an eye on the long term for 100 years – [read more](#)
- Restart IL Economy London and the Next October initiative – [read more](#)
- LSEG welcomed the International Fund for Agricultural Development (IFAD) – [read more](#)
- LSEG welcomed Agricultural Bank of China Limited – [read more](#)
- LSEG celebrated Tritax Big Box's 10th Anniversary – [read more](#)

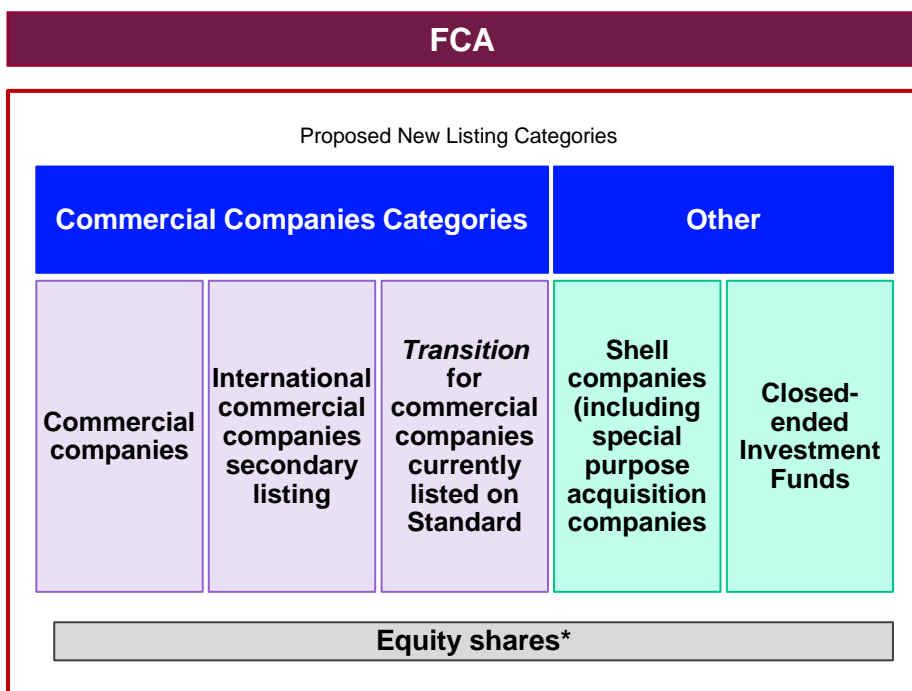


UK LISTING ENVIRONMENT



FCA Proposes New Disclosure Based Rules to make the UK's Listing Regime More Accessible, Effective and Competitive

In the largest change to the UK listing regime in 25 years, the FCA released the next stage of the [Primary Markets Effectiveness Review](#) in December 2023, proposing to replace the existing 'standard' and 'premium' listing segments with a single 'commercial companies' category and move to a disclosure-based regime. The FCA proposes to publish the final rules in the second half of 2024.



Key Proposals

Disclosure-based regime	Requirements, such as around significant transactions amended to give companies greater flexibility, while ensuring that investors have the information that they need.
Dual-Class Shares	DCSS permitted for directors, employees, shareholders, and associated trusts, to enable them to retain control of their business and implement their strategy.
Concentrated role of the sponsor	Sponsor regime focused on specific events e.g. listing application stage and for reverse takeovers
More flexible regime for secondary listings	A new category for non-UK companies with primary listings outside the UK, incorporating standard listing rules (ongoing provisions to secondary listing)

THOUGHT LEADERSHIP AND ISSUER SERVICES

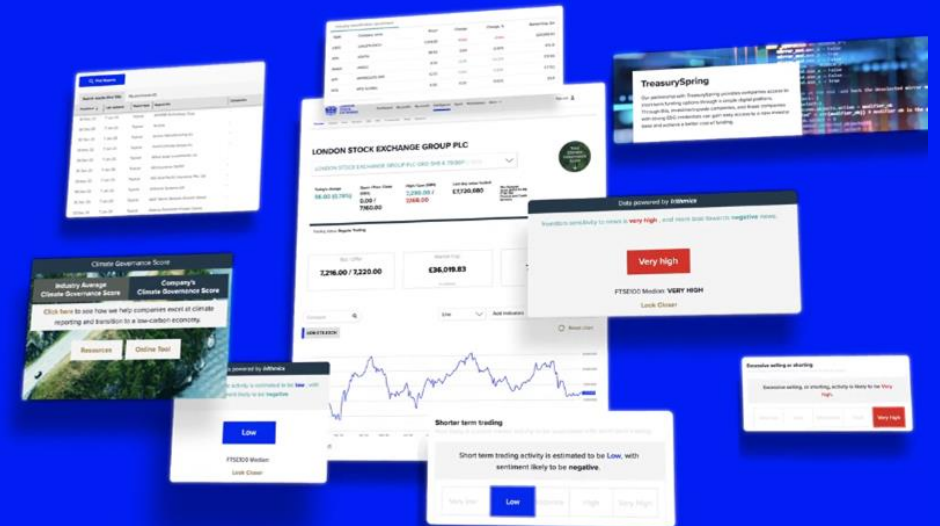
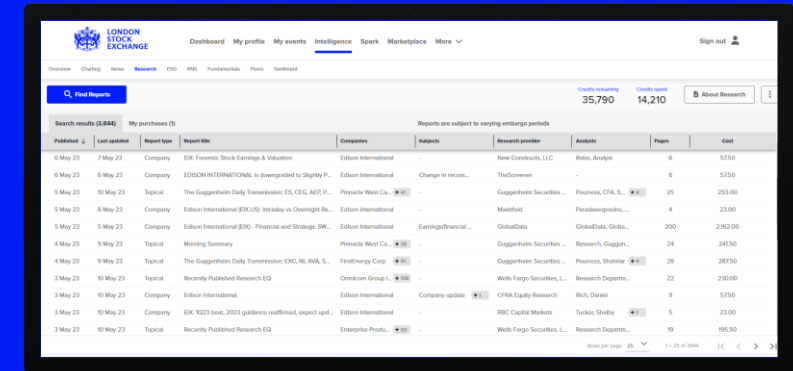


Access to Refinitiv Deals Intelligence via the Issuer Services Platform

In Q4, the London Stock Exchange announced that users of the London Stock Exchange Issuer Services Platform have complementary access to deals intelligence powered by Refinitiv.



Our deals data is the most extensive and flexible resource available for timely M&A and capital markets transaction insights and analytics, relied upon by the financial press and deal makers around the world.



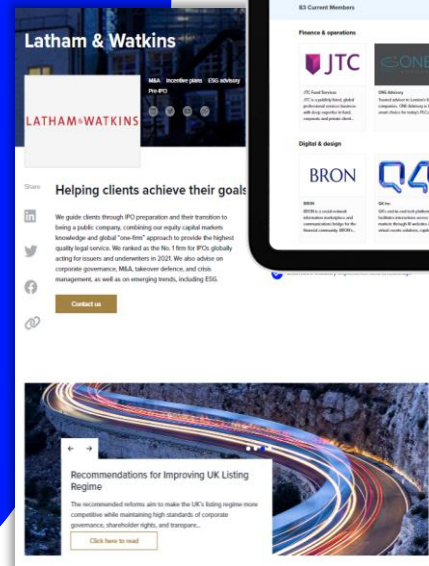
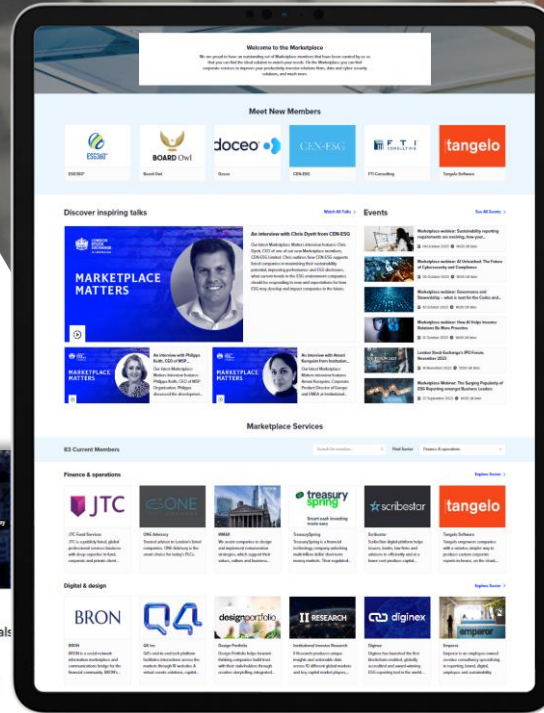
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Our diverse network of experts

Expertise to enable issuers to function as effectively and efficiently as public companies on the world's most international exchange.

Over 90 marketplace members providing services from innovative new technology companies to established firms, providing guidance on everything from share registration and legal services to strategic communications.

The new and refurbished Marketplace page can be found [here](#).



Technology



Resilience



Investor Relations



Digital & Design



Reporting

...and many more

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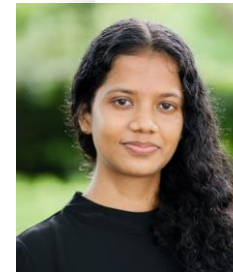
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