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DECEMBER 2025

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM JOURNAL

AIM's post Budget recovery

There was a 4.8% decline in the FTSE AIM All-Share index in the first three weeks of November ahead of the Budget. There was a recovery ahead of the Budget and this accelerated afterwards. AIM still ended the month 2.4% lower. There was a similar trajectory for the FTSE 100 index, but it had clawed back all its loss by the end of the month.

The energy sector is the worst performing AIM sector with a 14% drop, and it continued to fall after the Budget. The UK government announced the proposals for replacing the energy profits levy with the oil and gas price mechanism (OGPM) to provide clarity for the longer-term tax regime. The OGPM will come into force on 1 April 2030 or earlier if oil passes $74/barrel and gas goes above 57p/therm. There will be a 35% tax on revenues above those levels. Threshold prices for the tax will be set twice each year.

Retail is the best performing sector with a 13.5% gain, having been lower at the start of Budget week. Companies, such as Angling Direct and Cake Box, will benefit from lower business rates because of the size of their outlets.

Venture Capital trust changes

There was mixed news in the Budget concerning Venture Capital Trusts (VCTs) and the Enterprise Investment Scheme (EIS). More companies will have access to the funding, but the reduction in tax relief could hamper fundraisings by VCTs.

Eligible companies for VCTs and EIS can have assets of up to £30m before new shares are issued, which is double the previous level, and the annual amount they can invest in one company has also been doubled to £10m. The lifetime limit is £24m. For those companies classed as knowledge-intensive the annual limit is £20m and the lifetime limit is £40m. This will be an additional help for growing AIM companies, but there will still be a potential gap in funding for companies that are too large or have raised as much as they are allowed to.

The tax relief on VCTs will be cut from 30% to 20%. The Association of Investment Companies (AIC) points out that when the tax relief was cut from 40% to 30% the amount of money raised fell by two-thirds. What should be considered is that there was probably a rush of investment before the change, but there was certainly a drop in investment following the reduction. There could be a similar trend this time. However, EIS investment will still receive 30% tax relief.

In this issue

Power Probe float

US automotive electrical diagnostics tools supplier Power Probe plans to join AIM in December. Power Probe wants to raise £15m. This will help to finance a new US manufacturing facility.

North Carolina-based Power Probe was founded in 1992. Its global addressable markets are expected to be worth $2.2bn by 2032. Power Probe has developed a range of products including powered circuit probes, testing kits, measuring tools and other accessories. It has 64% of the US powered circuit probe market. The diagnostic tools can be used on all major automotive engine types, and they are available through the main distribution channels.

The core customer base is professional mechanics. Strong relationships in the sector enable Power Probe to identify new product opportunities and expand its range.

The increasing use of electronics and the greater number of older cars on the roads mean that there is a growing market for the tools. The move to electrical vehicles should also provide further impetus for new products.

There are plans to move into markets in Canada and Mexico, while longer term European markets could provide further opportunities. Potential new sectors include military and boating.

In 2022, revenues were $25m, rising to $31.3m by 2024. EBITDA increased from $4.8m to $8.3m over the same period. The latest interims show revenues of $20.5m and EBITDA of $5.3m, helped by new products. Products launched in the past three years accounted for 39% of interim revenues. There is a minimum advertised price policy in the US so that the diagnostic tools are viewed as premium products.

Iofina's new plant

Iodine producer Iofina has signed an agreement with Western Midstream Partners to develop its next IOsorb plant in the Permian Basin between western Texas and southeastern New Mexico. Up until now Iofina has been producing iodine in the Anadarko Basin in western Oklahoma. The new plant will be twice as large as existing plants with a capacity to process 50,000 barrels of brine water per day supplied by Western Midstream. It will cost up to $9m to construct with annual production of up to 220 metric tonnes of iodine. To put that into context, Iofina's iodine production in the second half of 2025 is expected to be up to 440 metric tonnes. The new plant could be producing before the end of 2026.

Royalty challenge for Caledonia

Changes to Zimbabwe tax and royalties have partially offset the positive news that Caledonia Mining Corporation intends to go ahead with the development of the Bilboes gold project.

Prior to the changes the wholly owned Bilboes had a 1.7 year payback based on a gold price of $2,548/ounce and it will be even faster if the gold price continues to be much higher. The feasibility study estimated an ungeared post-tax NPV8 of $582m. This is based on 1.55Moz of gold being produced over nearly 11 years. Capex is expected to be $584m. The local community and employees will be given a 7.5% interest in Bilboes.

The financing of the Bilboes development is still to be secured, but management hopes that cash in the bank and expected to be generated by existing operations can be combined with debt so that there is no need for a share issue.

The government in Zimbabwe has announced an increase in the royalty rate from 5% to 10% when the gold price exceeds $2,500/ ounce, which is apparently applied to the full gold price. That royalty rate is higher than other African countries The current 100% upfront deduction for capital spending will be spread across the life of the project. The cash value is the same.

The mining companies will engage with the government to argue their case, but the new regime is set to take effect on 1 January 2026.

The feasibility study estimated an all-in sustaining cost (AISC) of $1,061/ounce for Bilboes. Cavendish estimates that the royalty and tax changes mean that average AISC over 2029-2038 – not including the ramp up and winding down – rises from $1,029/ounce to $1,178/ounce.

Caledonia Mining is still assessing the impact of the changes, but Bilboes should still be highly profitable. Cavendish has reduced its target share price from 2920p to 2620p.

Peel Hunt interim profit rebound

Peel Hunt profitability rebounded in the first half due to a jump in revenues and reduction in fixed costs. There has been a strong start to the second half with several transactions already completed.

In the six months to September 2025, group revenues were 38% higher at £74.4m. Investment banking revenues rose 46% to £32.9m following increased mergers and acquisitions activity and a strong summer of fundraisings and placings of existing shares. Execution services revenues jumped 57% to £27.6m. Research and distribution revenues were slightly higher.

Underlying pre-tax profit more than quadrupled from £4.6m to £18.7m. Non staff costs were 3% lower and the proportion of revenues decreased from 36.4% to 25.7%. Even though staff costs increased they fell from 54.8% to 48.3% of revenues.

Net cash was £7.63m at the end of September 2025. The second half tends to be a more cash generative period.

Retail Book is no longer a subsidiary as the stake has been reduced from 51.5% to 40.95%. The book value of the loss-making investment has dropped from £3.2m to £2.1m.

Team has launched a recommended bid for **WH Ireland**, after the sale of its wealth management business to Aquis-quoted broker and wealth manager Oberon Investment was blocked by shareholders. Team is offering 0.195 of a share for each WH Ireland share and the WH Ireland shareholders will own 43.5% of the enlarged group, which will be valued at around £30m.

Oberon was going to buy the loss-making wealth management business for £1m, plus the assumption of contract liabilities. The Team deal provides WH Ireland shareholders with a continuing interest in the business and gives Team additional scale. It means Team will have a signficant UK presence and WH Ireland will continue to operate under its current licences, although non-core ones will be relinquished. Team does not currently have FCA regulated operations.

Jersey-based Team provides investment management and advisory services to private and high net worth individuals, family offices, corporates and trusts. It manages and advises on more than £1.1bn of assets.

In the six months to March 2025, Team generated revenues of £5.8m, up from £4.1m. The underlying loss was reduced from £992,000 to £796,000. The cash outflow from operating activities was £595,000.

The acquisition requires regulatory approval, and it is expected to become effective in the first quarter 2026.

Canaccord Genuity increased second quarter revenues by 24% to $530.4m. This includes a 25% improvement from the capital markets division, which increased its profit by 71% to $25.5m. Group net income was 41% higher at $59.8m. The provision relating to regulatory enforcement measures has been increased by $55m to $75m.

Close Brothers has completed the sale of market maker Winterflood to Nasdaq-listed Marex Group following the receipt of regulatory approval.

ADVISER CHANGES - NOVEMBER 2025

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
Bradda Head	Shard	Panmure Liberum / Shard	Beaumont Cornish	Beaumont Cornish	11/3/2025
Burford Capital	Merrill Lynch / Berenberg / Jefferies / Deutsche Bank	Berenberg / Jefferies / Deutsche Bank	Deutsche Bank	Deutsche Bank	11/5/2025
Logistics Development Group	Singer	Investec	Strand Hanson	Strand Hanson	11/6/2025
Futura Medical	Turner Pope / Panmure Liberum	Panmure Liberum	Panmure Liberum	Panmure Liberum	11/13/2025
Ovoca Bio	CMC	Beaumont Cornish	Beaumont Cornish	Beaumont Cornish	11/13/2025
Touchstone Exploration	Canaccord Genuity / Cavendish	Shore / Canaccord Genuity	Canaccord Genuity	Shore	11/13/2025
Naked Wines	Panmure Liberum	Investec / Panmure Liberum	Panmure Liberum	Investec	11/17/2025
Guardian Metal Resources	Berenberg / Stifel Nicolaus / Tamesis	Tamesis	Cairn	Cairn	11/21/2025
TPXimpact	Cavendish	Dowgate / Stifel Nicolaus	Cavendish	Stifel Nicolaus	11/24/2025
Proteome Sciences	SP Angel	Allenby	SP Angel	Allenby	11/25/2025
Emmerson	VSA / Panmure Liberum	Panmure Liberum	Panmure Liberum	Panmure Liberum	11/26/2025
Kazera Global	Zeus / Strand Hanson	Strand Hanson	Strand Hanson	Strand Hanson	11/26/2025

Accsys Technologies US joint venture moving towards breakeven

Longer lasting wood processor *www.accsysplc.com*

ACCSYS TECHNOLOGIES (AXS)			64.1p
12 MONTH CHANGE %	+35.4	MARKET CAP £M	155.3

A reduced loss at the US joint venture and a cut in overheads enabled **Accsys Technologies** to report a lower interim loss. There was strong growth in sales volumes of Accoya high-performance wood. Total first half sales volumes, including the joint venture, were 38,618 cubic metres. By 2030 the current annual capacity of 123,000 cubic metres of modified wood output should be fully utilised.

In the six months to September 2025, group revenues generated by the Arnhem facility improved from €72.2m to €76.1m with the transfer of US business from the Netherlands to the US freeing up capacity for other customers. It was also boosted by an increase in royalties and licence revenues from €496,000 to €2.14m. Operating profit jumped from €3.7m to €6.42m. There is room for further improvement in margins.

Capacity utilisation increasing

The 60%-owned US joint venture revenues built up from €1.9m to €13.8m and the company's share of the loss fell from €6.1m to €4.37m. Additional distributors are being signed up. The business is moving towards breakeven as capacity utilisation increases.

Net debt reduced from €42.6m to €39.8m in the six months to September 2025. Debt facilities of €55m have been secured and they last for three years. Net debt will continue to fall as cash generation improves. Panmure Liberum believes it could be below €20m by March 2028 and Accsys could have net cash by 2030.

The US joint venture will hang on to its cash to invest in growing the plant and there is room to expand in the current facility. Two further reactors, which would double capacity, could cost up to $80m.

A full year loss of €800,000 is forecast with a swing to a pre-tax profit of €7.5m in 2025-26. Profit should accelerate from then on. Accsys will become highly profitable and cash generative.

Signs of improvement at CML Microsystems

Semiconductors manufacturer *www.cmlmicroplc.com*

CML MICROSYSTEMS (CML)			305p
12 MONTH CHANGE %	+27.1	MARKET CAP £M	50.6

The latest interims from **CML Microsystems** should mark the bottom and there are signs that trading will improve from now on. The US business has completed its move to new premises and orders are improving with recent design wins worth more than $30m. The wins are in areas such as defence, professional mobile communications and IoT.

In the six months to September 2025, revenues declined 3% to £9.18m, while the pre-tax profit jumped from £820,000 to £2.52m, however that is after a £3.41m gain on a property disposal so there is an underlying loss. Customers are still bringing down their inventory levels, but this is coming to an end. There were also supply problems related to some SuRF products. A reduction in operating costs partly offset these problems. The dividend was maintained at 5p/share.

The surplus property was sold for £7m and £4.3m was received by the end of September 2025. Net cash rose to £10.7m. The cash enables CML to continue to invest in product development.

There is no forecast for the full year, but second half revenues are expected to grow. Management hopes that CML can be marginally profitable in the full year. Inventory levels should decline as supply concerns ease. There are products that are immature and revenues will build up in future years. For example, Digital Radio Mondiale is a new digital radio standard that will become a more significant contributor, but the timing is uncertain.

International and sector diversification helps Volex to beat market expectations

Power and data cables supplier *www.volex.com*

VOLEX (VLX)			395.5p
12 MONTH CHANGE %	+36.6	MARKET CAP £M	725.8

Power cables and accessories supplier **Volex** reported interim figures ahead of expectations. Organic growth was 13%. The better performers were the data centre and electric vehicles markets. The international nature of the manufacturing operations has helped Volex adapt to the US tariffs.

In the six months to September 2025, revenues increased from \$518.2m to \$583.9m, and the operating margin improved from 9.2% to 9.8%. Underlying pre-tax profit rose from \$37.5m to \$48.5m.

Complex Industrial Technology is the fastest growing division with organic growth of 48%. Data centres are a major driver of the growth because of the investment in capacity for artificial intelligence. There was also growth in demand from

New data centres driving growth

defence and building environmental products. Off-highway quadrupled revenues and organic growth was 20% - it was also helped by defence demand. Electric vehicles is another major growth area with the range of products extended.

The consumer electricals revenues fell but management is optimistic about demand for domestic appliance harnesses. Medical was the one area of the business significantly hampered by tariffs and its revenues also fell.

Nat Rothschild has moved to the chief executive position, having been executive chairman for a decade during which the fortunes of the company were turned around. This has enabled the appointment of Dave Webster as non-executive chairman. He was chief executive of Electrical Components International, which was acquired by AIM-quoted shell Rosebank Industries earlier this year. He will bring experience in the North American market.

This year, revenues should improve from \$1.09bn to \$1.15bn and pre-tax profit is forecast to rise from \$88m to \$95m. Volex is already well on the way to this figure, and it has a record of forecast upgrades. The shares are trading on less than 14 times prospective earnings.

Content creation recovery for Focusrite

Audio products supplier *www.focusriteplc.com*

FOCUSRITE (TUNE)			220p
12 MONTH CHANGE %	-21.4	MARKET CAP £M	127.8

Audio and content creation equipment supplier **Focusrite** has managed to navigate the challenges of tariffs and there are signs of a recovery in some markets. The content creation market is worth around £2bn, while equipment for live events is worth more than £3bn. Focusrite still has a relatively low market share, except in specific niches.

Focusrite reported 12-month results in line with expectations with revenues rising 6% to £168.9m, while operating profit dipped from £16.6m to £15.3m. The latest interim dividend for the 18-month period is 2.1p/share.

Revenues returned to growth despite the uncertainty brought about by tariffs. Net debt was £11m at the end of August 2025.

Content creation shows signs of recovery as stock levels reduce, and the performance was helped by new product launches. There was growth in Europe, Middle East and Africa.

The demand for equipment for live venues grew after lockdowns, offsetting a decline in content creation revenues during that time, but that has come to an end. The range of products for live venues has been expanded to include immersive audio.

Cavendish forecasts a pre-tax profit of £12.6m for the 12 months to February 2026, which is the new year end, rising to £16.6m in the following year. Focusrite has a range of valuable brands well known in the professional market. Acquisitions could add to these. It has been able to compete in tough markets and is ready to prosper when they improve. The shares are trading on 13 times prospective earnings, falling to eleven next year.

Contract wins and strong potential pipeline underpin growth at Cerillion

Telecoms billing software *www.cerillion.com*

The timing of contract wins can affect the results of telecoms enterprise software provider **Cerillion** and there was limited growth last year. There have been significant contract wins that will contribute to this and future years, though. The potential sales pipeline is at a new record level of £275m even after those contract wins.

In the year to September 2025, revenues were 4% ahead at £45.4m – having been lower at the interim stage. Underlying pre-tax profit was 10% higher at £21.8m. The total dividend is 15.4p/share, up 17%. Net cash was £34.4m at the end of September 2025.

Orders are 25% higher at £47.6m. There were contracts with an

Net cash was £34.4m

existing customer worth £25.3m in total that were won at the end of the period. Including recurring maintenance and other revenues, there is around £25m of revenues already booked for this financial year.

Cerillion continues to invest in its technology and rivals have been taken over, which is likely to reduce competition. This is already an international business and there is potential to expand in additional countries. The sales focus is on North America and the Middle East.

Panmure Liberum forecasts 2025-

CERILLION (CER)			1350p
12 MONTH CHANGE %	-24.2	MARKET CAP £M	398.3

26 revenues of £54m, while margins are likely to decline from their current high levels due to investment in additional sales staff. Pre-tax profit is forecast at £22.7m, rising to £24.9m next year. Net cash could exceed £50m by September 2027.

Cerillion tends to beat forecasts and a large contact win early enough in the year would boost the current estimate. The prospective multiple is 23, which is much lower than it has been in the past. The valuation may look relatively high, but it is warranted considering the track record of the business.

ActiveOps momentum begins to accelerate

Process automation software *www.activeops.com*

Workforce productivity optimisation software provider **ActiveOps** is starting to gain momentum and that is showing through in the doubling of the share price over the past year. Management is targeting more than doubled annualised recurring revenues of £100m within five years. Greater scale should enable the improvement of EBITDA margin from 10% to 25%.

The company's software enables financial businesses to operate more efficiently. This is an international business with plenty of scope for growth. The total addressable market is valued at £900m. The Enlighten acquisition is currently being integrated.

ACTIVEOPS (AOM)			237p
12 MONTH CHANGE %	+111	MARKET CAP £M	169.2

In the six months to September 2025, revenues rose 45% to £20.8m. Even stripping out the acquisition, organic growth was 34%, SaaS revenues are 83% of the total. Net revenue retention was 116% as clients add further functionality and move to newer versions of the ControlIQ software.

Annualised recurring revenues are £40.6m. There will be further growth from more customers moving to the latest version of the ControlIQ software as well as from new clients. The forecast revenues for 2025-26 are £42.4m, rising to £47.4m in the year to March 2027. These forecasts are underpinned by the recurring revenues and there is scope for additional wins to lead to upgrades.

Investment in additional sales resource, particularly in North America, means that pre-tax profit could dip from £2.9m to £2.6m this year before rising to £3.9m in 2026-27. Net cash could be £18m at the end of March 2026 and management may consider a dividend.

While the shares ae trading on 61 times prospective 2026-27 earnings, their attraction is the rapidly growing recuring revenues.

Touchstar capital returns policy boosts dividend

Logistics technology *www.touchstarplc.com*

Dividend

Logistics technology provider Touchstar was a regular dividend payer up until 2013, but it was a decade before it paid another dividend. In 2023, the total payout was 2.5p/share, rising to 3p/share in 2024.

The interim payment for 2025 was 1.75p/share and the forecast total dividend is 3.3p/share, rising to 3.6p/share for 2026. The total cost of the dividend is around £300,000 and that is well covered by cash generation.

Business

Touchstar provides ruggedised mobile computers that can be used in warehouses for picking and scanning, as well as checking stock levels. There is also equipment that can be used for proof of delivery and access control. Touchstar can design systems specifically for the client.

Touchstar, then known as Eadie, moved from the Main Market to AIM on 24 January 2001 so it is coming up to its 25th anniversary. The name was changed to Belgravium Technologies as it focused on the mobile data technology operations and then to Touchstar in 2016.

Over the past two decades the record has been inconsistent, but the company has been consistently profitable over the past five years. There has been a move from one-off hardware sales to a recurring revenues focus so the quality of revenues is higher.

A strategic review was concluded earlier this year. There were potential bid approaches, but none were acceptable to the board. There is a renewed focus on organic growth with the fuel sector identified as an area with overseas sales potential. There are also plans to enter new markets with the existing technology. The strategy includes returning cash to shareholders via dividends and share buybacks. The plan is to return up to £1m of cash over one year.

TOUCHSTAR (TST)	
Price (p)	78
Market cap £m	6.2
Historical yield	3.8%
Prospective yield	4.2%

Lynden Jones was appointed chief executive in July. He has worked at Touchstar for 14 years. Ian Martin remains as executive chairman.

In the first half of 2025, revenues were flat at £3.37m, while higher costs meant that there was a swing from profit to a loss of £140,000. Even so, full year pre-tax profit is forecast to rise from £450,000 to £600,000 in the full year. The £2.52m order book provides some confidence that the second half will be much better.

Contracted recurring revenues were 44% of total revenues in 2024 and this edged up to 45% in the first half of 2025. The contribution should continue to increase.

There was £2m in the bank at the end of June 2025 and it is likely to stay at around that level even though cash will be spent on developing technology and share buybacks. Around £1m in cash can be generated from operations each year.

It is still early days for the new chief executive who has succeeded at subsidiary level. The shares are trading on 12 times prospective earnings, falling to less than ten in 2026. Cash underpins nearly one-third of the market capitalisation.

Dividend news

Photonics technology supplier **Gooch & Housego** continues to suffer from weaker demand in industrials and life sciences, but the return to profit of the aerospace and defence division helped pre-tax profit recover from £8.1m to £11.9m. There are more positive signs for the industrial laser and semiconductor markets with the order book improving. Profitability and margins will continue to improve in the aerospace and defence division. Cavendish forecasts a further pre-tax profit rise to £16.2m 2025-26. Four-fifths of forecast revenues of £175.3m are already contracted. The dividend is set to be maintained at 13.2p/share.

Egg-free celebration cakes supplier **Cake Box** reported a dip in profit in the first half, but this should be more than made up for by a much stronger second half as Indian sweets supplier Ambala benefits from Diwali and Christmas. Pre-tax profit fell 4% to £2.6m. Like-for-like sales of the core Cake Box business were 6.3% ahead and there were also the benefits of store openings. Growth is continuing in the second half and full year pre-tax profit is expected to improve from £7.1m to £8.6m. The interim dividend was raised from 3.4p/share to 3.6p/share and the total for the year is forecast to be 8% higher at 11.9p/share.

Brickability is changing its name to BRCK to reflect that it has a group of businesses outside of the original Brickability operation. The bricks and building materials division increased interim revenues by 6% and the importing and distribution businesses did even better. Delays to projects meant that contracting revenues were lower. Overall revenues were 5% higher at £347m, while pre-tax profit was flat at £21.8m. The interim dividend was unchanged at 1.12p/share. Full year pre-tax profit is forecast to rise from £37.8m to £39.5m. The total dividend is expected to be held at 3.5p/share and covered nearly 2.5 times by earnings.

Expert view: Registrars

Is stamp duty reform coming? What the budget told us…

By Hardeep Tamana

Last month's long awaited and economically disruptive budget may have broadly impressed the market – the Pound was up and gilt yields fell – but the subtext revealed in the red book all too often makes for the most interesting reading. Whilst the three-year exemption from stamp duty on share transactions for newly listed companies was part of the Chancellor's speech, tucked away in the report, we found a couple of additional references to the tax.

Stamp Tax revenues aren't rising

The reality is that politically, despite only £3bn or so being collected by the tax in recent years and this figure not showing much hope of growing, it will be close on impossible to ever abolish. It would be seen as a sop to the rich, or pandering to the whims of the millionaires, rather than simply levelling the playing field that leaves UK retail investors favouring foreign stocks over domestic ones for their ISAs to avoid the levy.

It's obviously encouraging that the exemption for AIM listed stocks has been maintained, whilst the recently launched PISCES framework will also see securities traded under this mechanism having no stamp duty charged either. However, two key comments in the budget red book are worth a closer look.

Digital solution

Firstly, the government will legislate in Finance Bill 2025-26 to introduce a power allowing regulations that enable the testing of the new digital service for the Securities Transfer Charge. This will replace Stamp Duty and Stamp Duty Reserve Tax as part of the modernisation of the Stamp Taxes on Shares framework and is necessary to accommodate both faster settlement and the move towards complete digitalisation of securities.

This dovetails well with the way Avenir Registrars has always structured its systems and processes, using a modular approach that enables us to react quickly when tax regimes do change. On top of that, our digital first approach also means we can support that digitalisation agenda, but a question many will be asking is what's the motive here? Does this approach also pave the way to offer more dynamic pricing options, with rates set in a granular fashion?

This isn't without precedent as it's an approach that has been mooted in Ireland where levies will be set annually based on a company's market cap. If so, will the age of billion pound plus companies listing on AIM come to an end if they are singled out for higher levies – or in a more optimistic light could specific growth industries benefit from periodic exemptions?

> The government is introducing a power allowing regulations that enable the testing of the new digital service for the Securities Transfer Charge

Under review – where next?

Secondly – and perhaps contrasting quite sharply with the above – was a note that while recognising the need to maintain responsible fiscal policy, the government will also continue to evaluate Stamp Taxes on Shares to ensure the UK is positioned well for the future and best supporting the competitiveness of our world-leading capital markets.

Is that just a token acknowledgement that the tax is holding back the UK economy, is it paving the way for change in the longer term – which would seem unusual from this government given the political risk – or again does it play into that idea that a more granular approach is warranted here?

The power to change is here

The technology certainly exists to take a more nuanced approach. We are after all many years on from the physical stamping of receipts, even if some of the legacy processes do still linger.

Against a backdrop of far bigger economic issues, the application and evolution of stamp duty may seem like a niche interest, but with growing evidence suggesting that this is a key factor in holding back both the appeal of listing in the UK as well as disincentivising investors in an ever more global financial landscape, we should maintain pressure to ensure policymakers remain mindful of the risk – and their ability to create change for good.

HARDEEP TAMANA, Managing Director, Avenir Registrars (www.avenir-registrars.co.uk).

London Stock Exchange hopes rule changes will refresh AIM

The London Stock Exchange has published the AIM discussion paper feedback. It underlines continued support for AIM and sets out ways to enhance the development of public markets.

For all the criticisms of AIM it has managed to last more than three decades, while others have fallen by the wayside or remain much smaller despite AIM's decline in market capitalisation.

During those three decades there have been many troughs that it has recovered from. There is no reason to think that more optimistic markets will not enable AIM to recover some of its shine.

Changes to Main Market rules have led the difference with AIM to narrow

The London Stock Exchange is keen to maintain a different market that sits between the Main Market and PISCES. It states that it will build on the strengths of AIM and be "clear about its role, its purpose and the potential risks and rewards associated with often earlier stage companies".

Just like in the days of the Unlisted Securities Market (USM) changes to Main Market rules have led the difference with AIM to narrow. This has been happening over the past two decades as AIM companies are classed as risky and that has led to attempts to over protect investors. What needs to be emphasised is the level of risk so that investors can make their own decisions.

Investors have to understand that AIM offers access to riskier investments that are potentially at an early stage of their development. They need to recognise there are not the same regulations and protections as for Main Market companies.

This is prompting changes to some AIM rules to provide that differentiation that has been lost. These are outlined in the paper, but the exact rule changes have not been finalised.

It is planned to allow mergers and acquisitions to be completed more quickly and efficiently and enable private investors to more access to fundraising. Encouraging an environment friendly to founders and supporting competitive remuneration to attract employees are also highlighted.

There are plans to introduce share suspensions when there are secondary fundraisings, which appears to be similar to what the ASX currently has in force. The idea is that it would make it easier to discuss the fundraising with investors without affecting the share price.

Nominated advisers

Nominated advisers are part of what differentiates AIM and they are supported by companies and investors. There appears to be a subtle change in the role of the nominated adviser, though. AIM wants the nominated adviser to focus on corporate finance advice and less on compliance – an area that has taken up a greater amount of time over the years. This has also led to duplication of work with other advisers.

A new technical guide will be developed so that expectations are reset. Qualified executives will continue to be important in the firms and there will be a balance in the process of their approval between more autonomy and experience.

An example of this change is that nominated advisers will not be obligated to provide a fair and reasonable view on director remuneration, which is currently the case under AIM rule 13. The caveat is that they have to believe that "reasonable protections are in place".

Acquisitions

There are plans to change the rules on reverse takeovers. While these rule changes are finalised, AIM says that if nominated advisers can demonstrate that an acquisition is not a fundamental change in business it can be classed as a substantial transaction. For now, shareholder approval may still be required for the transaction.

The easier rules on reverse takeovers have been a major factor in many Main Market companies switching to AIM over the years.

There have been suggestions that the automatic suspension of trading prior to a reverse takeover document's publication should be reconsidered. AIM says that it will consider requests not to impose a suspension pending any change in rules.

If a reverse takeover is between two companies that are already publicly quoted, AIM will consider whether information that is already available to the public should have to be included in a document.

Admission documents

Respondents to the initial discussion paper were keen that documents should be simplified. They felt that the admission document's value has diminished with its complexity.

Respondents to the initial discussion paper were keen that documents should be simplified

AIM plans to redesign the admission document so that it is more user friendly. It is exploring how digital information can be used to help with this. Government regulations will require certain things to be included in a document, but AIM will have some flexibility.

There are plans to dispense with the working capital statement, because respondents feel that the cost outweighs the benefits because of the other financial information already available.

Pending the new rules AIM will consider requests that readily available historical financial information can be referenced in the document rather than included in full.

Companies will also be allowed to use UK GAAP figures rather than having to restate the financials, so they comply with IFRS. AIM will also consider allowing other local accounting standards to be used.

Admissions of additional share classes of other securities will no longer require a full prospectus.

There are also plans to streamline the AIM Designated Markets route to AIM where companies already listed on another market do not have to publish a prospectus. This is designed to make the quotation on AIM faster and more efficient.

External factors

AIM will engage with the government and ask for changes that will improve the prospects for AIM and its participants. It can only do so much itself and government can contribute to any improvement. Providing more long-term certainty about the tax perks still available will help.

The FCA is also important. The London Stock Exchange will continue to "encourage the development of a proportionate and streamlined reporting framework, that recognises the importance of preserving the UK's competitiveness in an evolving international landscape". The FCA is planning to issue a consultation for accounting standards for listed companies. This is an opportunity for AIM and its participants to help to mould the new rules.

Global Growth Market

There is a new AIM rival on the horizon, although it will have some time to bed in new rules before that happens. Global Growth Market is being launched to cater for international growth companies. Jon Prideaux, the chairman of Global Growth Market claims that it will be offering a better deal for both companies and investors. Jon Prideaux is the former boss of AIM-quoted payments business Boku. Former AIM head Martin Graham is chief executive of the new venture.

The companies admitted to the new London-based market will ideally have at least a five year trading record, revenues of at least $30m and be growing at around 20%/year. These companies would be valued at less than $5bn and not be large enough to gain traction on Nasdaq. AIM companies that have moved to Nasdaq have generally struggled with only the larger more established companies, such as Abcam, prospering.

There will be a Capital Partner Programme for the cornerstone investors, which will contribute 50% of any share issue when the company joins the market. These investors are locked-in for 12 months. The company has to raise the other 50%. A bookbuilding process will set the market price.

There are not going to be trading and data fees. Companies will pay the market 1% of fundraisings and an annual fee of around £150,000 for share trading. There is also an exit fee of 0.2% on the sale of a company.

Global Growth Markets is seeking to raise £4m via a seed round. This will fund the first year of operations. The company still needs to obtain regulatory approvals and go through the licensing process with the Financial Conduct Authority. There is also further investment required in the technology platform. When the market itself will be fully up and running depends on how long it takes to gain the necessary approvals.

There may be a capital requirement of £30m for the business while it builds up and markets its operations.

Global Growth Markets is seeking to raise £4m

Management believes it could be profitable in year three. That is based on 50 companies.

Liquidity will be important to the market both for potential companies and investors. This can be difficult to build up. Management believes that the quality of the companies allowed on the market will help them to attract investor interest.

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Industrials	23.4	18.1
Consumer	21.4	16
Basic materials	15.4	17.1
Health Care	10.5	9.9
Financials	10.5	9.3
Technology	8.7	13.1
Energy	6.8	10.4
Property	1.8	2.1
Utilities	1.5	0.5
Telecoms	1.2	1.6

KEY AIM STATISTICS

Total number of AIM	625
Number of nominated advisers	23
Number of market makers	20
Total market cap for all AIM	£64.2bn
Total of new money raised	£138.7bn
Total raised by new issues	£48.6bn
Total raised by secondary issues	£90bn
Share turnover value (Oct 2025)	£40.8bn
Number of bargains (Oct 2025)	10m
Shares traded (Oct 2025)	1.84bn
Transfers to the official list	215

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	754.08	-2.37
FTSE AIM 50	4015.59	-1.9
FTSE AIM 100	3605.68	-1.73
FTSE Fledgling	13677.99	-2.59
FTSE Small Cap	7384.46	-0.38
FTSE All-Share	5241.31	+0.02
FTSE 100	9720.51	+0.04

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	112
£5m-£10m	75
£10m-£25m	131
£25m-£50m	63
£50m-£100m	80
£100m-£250m	85
£250m+	65

TOP 5 RISERS OVER 30 DAYS

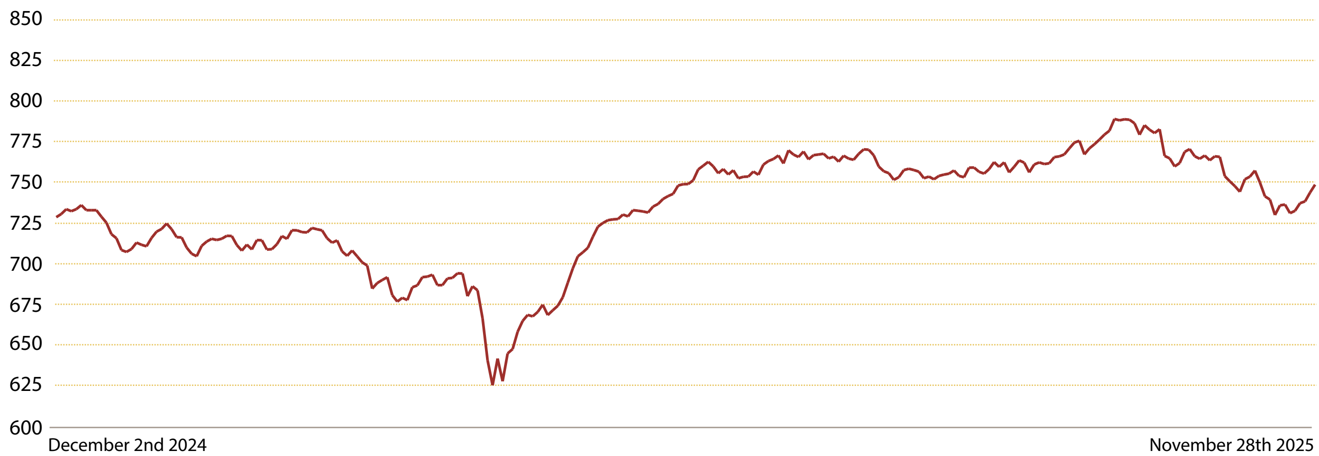
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
WH Ireland	Financials	3.85	+221
Boohoo	Retailers	23	+91.7
Jangada Mines	Mining	1.6	+73
European Metals Holdings	Mining	21.2	+69.6
Shield Therapeutics	Healthcare	9.9	+48.9

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Bucaneer Energy	Oil and gas	0.00775	-67.7
Bigblu Broadband	Media	6.5	-66.7
Futura Medical	Healthcare	1.12	-57.9
H Slingsby	Industrials	60	-52
Eqtec	Renewables	0.11	-51.1

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 28th November 2025, and we cannot accept responsibility for their accuracy.

sponsors

AIM Journal

AIM Journal is a monthly publication that focuses on the Alternative Investment Market (AIM) of the London Stock Exchange and the companies and advisers involved in the junior market.

Each month the publication includes information about AIM-quoted company news, changes to the brokers and nominated advisers, AIM statistics and general articles concerning AIM.

AIM Journal has been published for nearly a decade. There is no other publication of its type with a pure AIM focus and a sponsorship model, making it free to readers.

The pdf-based publication has an email database of company directors and advisers and an email with a link to the latest edition is sent out each month when the AIM Journal is published.

The AIM Journal can also be downloaded from the website www.AimJournal.info/archive.

The readership via the email is predominantly a professional one. One-quarter of readers are company directors, one-fifth solicitors and accountants, one-fifth brokers and 15% PRs. The rest of the readership is made up of investors, journalists and other individuals.

AIM

The Alternative Investment Market (AIM) was launched on 19 June 1995 with ten companies that had a total market value of £82.2m at the end of the first day's trading. The total amount of money raised by new and existing companies in the remainder of 1995 was £96.5m.

More than 4,000 companies have joined AIM since then, although it should be remembered that some of these are the same companies readmitted after a reverse takeover. These companies have raised more than £137bn either when they join AIM or while they are trading on the junior market.

In 1995, there were 29,099 trades. These days it is unusual if there are not that many trades in a single day.

More than 200 companies have moved to the Main Market. Companies in the FTSE 100 that started on AIM include online gaming operator Entain, previously GVC, insurer Hiscox, engineer Melrose Industries and student accommodation developer Unite Group. Healthcare properties investor Primary Health Properties, self-storage firm Big Yellow, animal genetics provider Genus, and online gaming technology developer Playtech are FTSE 250 index constituents.

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