JULY 2025

AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM recovers in the first half

AIM has rebounded by 7% in the first half of 2025, which is a similar performance to the FTSE 100 index. The FTSE AIM UK 50 index did slightly better with a 7.8% improvement. When the total return is taken into account the outperformance of the AIM 50 is greater with a 9.2% improvement, compared with 8.2% for the whole of AIM.

During June, AIM was 3.2% higher, which was better than for the AIM 50, which rose 1.9%. The FTSE 100 was slightly lower by the end of the month. This may be the early stages of outperformance by smaller AIM shares as they catch up with their larger peers. However, it is difficult to say for sure. Bids continue to be made for undervalued AIM companies, and this is helping the performance of the junior market. For example, chain and transmission equipment manufacturer Renold is recommending a bid of 82p/share in cash by MPE Mgt Co LLC. That is less than ten times forecast earnings.

ITM Power shares rebounded by 40% during June because of news that its electrolysis technology had been selected for UK projects. Positive reactions to results from Volex and Idox (see page 7) meant that the share prices continued their upward trend since April.

Tap Global develops crypto app

Tap Global Group moved from Aquis to AIM on 27 June. No money was raised and the closing share price on Aquis was 2.4p. The share price initially rose to 2.6p but since then it has slipped to 1.95p. A placing in February raised £1m at 2p/share, so that marketing and acquisition of customers can be accelerated.

The company is developing a digital finance hub that combines money and cryptocurrency services in a single app. Tap Global Group earns revenues through fees on transactions. There is an operational hub in Greece from which the company can grow in Europe, which is the core market. However, the US, where there is a relationship with crypto platform Zero Hash, is likely to become more important.

The first cards-as-a-service customer is set to release a card, and this market could be a significant generator of revenues. There are plans for further products and customer initiatives.

In the six months to December 2024, revenues improved from £1.3m to £1.8m and Tap Global Group was near to breakeven. The number of users reached 380,000 by the end of 2024. Third quarter revenues are estimated to have been £920,000, a 21% increase on the third quarter of the previous year.

In this issue

general news

Mulberry seeks additional funding

Luxury lifestyle brand Mulberry wants to raise £20m to finance its new strategy. This follows a post year-end review, which decided that more cash was required. The minimum liquidity covenant on its HSBC facility has been relaxed until after the fundraising is completed. Major shareholder Challice is providing a guarantee for £6.5m of the facility.

Mulberry is hopeful that Challice and Frasers Group will agree to the terms of the fundraising. Challice owns 56.8% of Mulberry and Frasers Group holds 37.3%. No issue price has been announced. Last year, there was a £10m subscription at 100p/share, plus £392,000 generated by a retail offer. Frasers proposed a bid of 150p/share, but this was rejected.

New chief executive Andrea Baldo has commenced a transformation plan for Mulberry. The medium-term goal is annual revenues of £200m and an operating profit margin of 15%. The corporate structure and product range is being streamlined. This will help reduce costs and improve margins. Annualised savings of £5.9m are identified.

So far, there have been new senior management appointments and a review of the store portfolio. New wholesale agreements have been secured with premium department stores in the UK. There are also deals with Nordstrom in the US and David Jones in Australia.

The 2024-25 accounts are being audited. Revenues are expected to decline from £152.8m to £120m, while the underlying loss will be similar to last year at £23m.Since the year end, trading is in line with expectations which means that revenues are unlikely to grow this year, but there will be a lower cost base.

Dotdigital social buy

Digital and social media services provider Dotdigital is paying up to $35m to acquire Social Snowball, which provides an influencer, affiliate and referral marketing platform. Advertisers are switching spending to influencers. This acquisition will broaden the range of services offered by Dotdigital and help to enhance average revenues per user. Social Snowball is generating annual revenues of $5m and has become cash generative. The initial cash payment is $20m with performance related consideration of up to $15m. This means that there will still be cash in the bank after the acquisition. Net cash of £45.4m was estimated by the end of June 2026. The deal should be earnings enhancing in 2026-27.

Small Cap award winners for 2025

Defence equipment and services provider Cohort won the company of the year award at the 2025 Small Cap Awards, which were held in London on 19 June. Cohort boss Andrew Thomis was named executive director of the year. Cohort was one of six current AIM companies winning awards, including broker of the year Cavendish Financial. Recently acquired Good Energy won ESG company of the year.

Cohort has an order book worth £230m and this provides 80% cover for 2025-26 expectations. In the year to April 2026, pre-tax profit is forecast to rise from £25.6m to £34.1m.

The Property Franchise Group's merger with rival lettings agency Belvoir was awarded the transaction of the year accolade. Along with other smaller acquisitions, this helped to increase 2024 revenues from £27.3m to £67.3m, while underlying pre-tax profit doubled to £22.3m. Earnings improved from 28.4p/share to 31.4p/share. A full year contribution from the acquisitions could improve 2025 revenues to £82.3m, while pre-tax profit should reach £30m.

MP Evans was recognised as dividend hero because of its consistent record of growing dividends. Last year, the total dividend was increased from 45p/share to 52.5p/share. MP Evans has launched a share buyback programme of up to £12m. Net cash could still increase from $46.3m to $77.7m the end of 2025.

Ruggedised plug-in cards developer Concurrent Technologies has undergone changes under chief executive Miles Adcock and its ability to communicate the strategy to investors won it the investor relations award. The time to develop and launch new products has been shortened and there is a move to supply higher margin systems. RF components and systems developer Filtronic has been winning significant contracts, particularly from SpaceX and was named technology company of the year.

Peel Hunt returns to profit

Peel Hunt was held back by the tough investment banking market last year, but growth in other parts of the business more than offset that. The average market capitalisation of clients increased, and it advised on 15% of UK quoted mergers and acquisition activity. Management believes that there will be opportunities from consolidation in the broking sector.

In the year to March 2025, revenues were 6% ahead at £91.3m. Excluding restructuring costs, a loss of £2.7m was turned into an underlying pre-tax profit of £800,000. The investment in Peel Hunt Fintech Ventures was written off. Net cash was £11.4m at the end of March 2025.

Investment banking revenues slipped from £32.6m to £31.5m with a greater proportion coming from mergers activity. Retainers held up slightly better than other fees. The number of clients fell from 150 to 147 because of acquisitions, but they have a higher average market capitalisation of £869m. There is also a move into private transactions.

Improved trading volumes helped the execution services revenues to grow from £29.6m to £33.7m. Technology investment enables the company to rapidly access liquidity pools.

Research and distribution benefited from expansion of electronic trading, which is expanding in Europe, and better returns from the trading desk. There are plans to open an office in Abu Dhabi. A chief economist has been appointed for the first time. Peel Hunt says it is seeing a move in asset allocation from the US to Europe. There is greater institutional investor interest in the UK. The current financial year has started well, and first quarter revenues are ahead of the same period last year.

Cavendish Financial moved back into profit in the year to March 2025, helped by the private M&A operations. Cavendish has turned down an approach for the M&A and debt advisory division.

The 13% increase in private M&A fees offset lower fees from public transactions. There were higher fees from fundraisings. Management is hopeful that there are signs that more positive views of the UK market will filter down to smaller companies. This is the first full year following the merger of finnCap and Cenkos. Revenues were £55.6m, while underlying pre-tax profit was £3.7m. The total dividend is 0.8p/share. Cash was £21.2m at the end of March 2025.

Asset manager **River Global** has agreed terms to acquire Devon Equity Management. There will be an initial payment of 16.67 million A shares and a deferred payment of 24.33 million A shares, which is dependent on revenues. The notional issue price is 6p, which means the total cost is up to £2.46m. Devon Equity Management made an operating profit of £2.1m on revenues of £8.6m. A tender offer by an investment trust client means that assets under management have fallen but the company could remain profitable. The deal should be earnings enhancing after the first year.

ADVISER CHANGES - MAY/JUNE 2025

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
ACEPS	Spark	Cairn	Spark	Cairn	5/16/2025
SkinBioTherapeutics	Singer	Cavendish	Singer	Cavendish	5/22/2025
Niox	Singer	Singer / Investec	Singer	Singer	5/27/2025
Pri0r1ty Intelligence	Oak Securities / Allenby	Allenby	Beaumont Cornish	Beaumont Cornish	6/3/2025
Great Western Mining	Shard / SP Angel / Davy	SP Angel / Davy	Davy	Davy	6/10/2025
Built Cybernetics	Canaccord Genuity	Zeus	Canaccord Genuity	Strand Hanson	6/12/2025
TheaCryf	Singer / Turner Pope	Turner Pope / Cavendish	Singer	Cavendish	6/13/2025
Electric Guitar	Novum / Allenby	Allenby	Allenby	Allenby	6/18/2025
Silver Bullet Data Services	Oberon Capital / Zeus / CMC	Zeus / CMC	Strand Hanson	Strand Hanson	6/24/2025
tinyBuild	Zeus	Berenberg	Zeus	Berenberg	6/24/2025
Avacta	Zeus / Peel Hunt/ Panmure Liberum	Peel Hunt/ Panmure Liberum	Peel Hunt	Peel Hunt	6/30/2025
OptiBiotix Health	Cairn	Peterhouse	Cairn	Cairn	6/30/2025

Tatton Asset Management continues impressive rate of managed funds inflow

Fund manager *www.tattonassetmanagement.com*

Tatton Asset Management is benefiting from the general growth in managed portfolio services, plus its own addressable market growing even faster. Last year, the net inflow of funds was £3.7bn - just over £300m each month.

In March 2021 the assets under management were £9bn and they have risen to £21.8bn by the end of March 2025. By June the figure was £22.9bn. The target is assets under management of £30bn by March 2029 – which is more than double the figure in 2022-23.

The growth is due to the company's focus on managing funds for managed portfolio services. In 2017, this market covered funds worth £450bn and this has risen to £722bn in 2024. This year there is

Monthly inflow could be £200m-£250m

expected to be a further increase to £872bn. The addressable market of funds under management has risen from £25bn in 2017 to £131bn in 2024.

In the year to March 2025, revenues were 23% ahead at £45.3m. Underlying pre-tax profit improved from £17.4m to £23.2m, showing the operational gearing of the business. The full year dividend is 19% higher at 19p/share. Net cash improved to £32.1m at the end of March 2025.

Perspective Financial Group has provided notice of the ending of its agreement with Tatton Asset

TATTON ASSET MANAGEMENT (TAM)	676p
12 MONTH CHANGE % Unchanged	MARKET CAP £M 406.3

Management. It currently represents £2.9bn of the total assets under management. This is a deal that has lower margins than others. Management suggests that the monthly funds inflow could fall to £200m-£250m this year, but that is still a significant uplift and should offset the loss of this client.

Zeus edged up its 2025-26 pre-tax profit forecast to £26.3m. To put that in perspective, this time last year the 2024-25 pre-tax profit forecast was raised to £21m, which is 10% lower than the outcome. The shares are trading on nearly 22 times prospective 2025-26 earnings.

Manolete Partners set to accelerate profit growth

Litigation acquisitions *www.manolete-partners.com*

UK insolvencies are just below their 30-year high and this provides a positive trading background for **Manolete Partners**, which specialises in insolvency litigation financing. The company returned to profit in the year to March 2025.

The UK government is reviewing the litigation funding market, and a report was recently published with recommendations that will require legislation. However, Manolete Partners is not directly affected because it focuses on buying claims. It controls the conduct, settlement and management of claims and most are settled via

MANOLETE PARTNERS (MANO)	88p
12 MONTH CHANGE % -36	MARKET CAP £M 38.5

negotiation within 12 months. Last year, 291 cases were completed. On average recoveries are twice the costs.

Realised 2025-26 revenues on completed cases were 22% ahead at £29.5m. Net debt was £11.1m at the end of March 2025. Cash generation will reduce this figure and there is available finance to acquire more cases.

The average size of claims is becoming larger. The amount of work required does not tend to change based on the claim value. There were 396 cases outstanding at the end of March 2025 and the majority were taken on last year. The number of live cases is currently 429.

Canaccord Genuity upgraded its 2025-26 realised pre-tax profit forecast from £1.2m to £2.8m. Next year's figure has been raised from £2.6m to £4m. The estimated NAV for March 2026 is 99.6p/share so the shares are trading at a discount. There is high operational gearing. The prospective multiple of 19 could fall to 13 next year.

Velocity Composites has spare capacity to grow when demand improves

Composite material aerospace kits *www.velocity-composites.com*

Delays in the ramping up of production of the A350 aeroplane by Airbus and the inspection approvals for products in the US hampered progress in the six months to April 2025. The longer-term outlook for **Velocity Composites** is positive with a requirement to replace older aircraft with more fuel-efficient ones. The company says that its advanced carbon fibre kits can be provided to aircraft manufacturers at a 20% saving on time. Yet, a small proportion of requirements are currently outsourced. Velocity Composites will benefit from greater outsourcing and is capable of satisfying higher demand.

Airbus plans to double the production of the A350 to twelve

A350 production is set to double

each month by 2028. The civil market currently dominates revenues, but management hopes to increase exposure to the defence sector. This growth can come from existing clients as well as adding new ones. The US aerospace and defence sector is set to grow at 6%/year up until 2030.

Interim revenues dipped from £10.7m to £10.4m, while the loss was reduced from £1.08m to £574,000. Net cash was £431,000 at the end of April 2025. The US facility means that tariffs should not be a problem, and any

VELOCITY COMPOSITES (VEL)			31.5p
12 MONTH CHANGE %	-19.2	MARKET CAP £M	17

additional costs will be passed on.

There could be some improvement in US demand in the second half, but full year revenues are likely to be flat at £23m, although the loss would be reduced from £1.3m to £700,000. Next year, an improvement in revenues to £26.6m should enable Velocity Composites to move into profit. Cash generation should cover capital investment and net cash could improve to £1m by the end of October 2026. There is plenty of spare capacity, particularly in the US. Positive news concerning A350 production and US demand will help the share price recover.

CML Microsystems broadens its range

Semiconductors designer *www.cmlmicrplc.com*

Despite the tough trading conditions, **CML Microsystems** is still spending a significant amount on marketing to generate long-term growth for the supplier of electronic components for communications and defence. The strong balance sheet means that the company is in a good position to take advantage of any upturn in demand.

In the year to March 2025, revenues were flat at £22.9m, while underlying pre-tax profit dipped from £3.8m to £1.7m. Even so, the dividend was maintained at 11p/share.

Spending on further consideration for US acquisition Microwave Wireless Technology Inc and research and

CML MICROSYSTEMS (CML)			248p
12 MONTH CHANGE %	-28.6	MARKET CAP £M	39.5

development has cut the net cash position from £18.2m to £9.9m. The US business added 90 additional products, and the factory relocation has been completed.

There are plans to dispose of surplus land at Oval Park and the former premises at Fareham, which is valued at £2m. Shore Capital believes the Oval Park land, which has planning permission, could be worth several million pounds. This will further strengthen the balance sheet.

CML Microsystems is moving into the broadcast market, but it is still early days. The Digital Radio Mondiale (DRM) technology is in its infancy and like DAB, it will take time to build up sales. Broadcasters in India, Pakistan and China have adopted the standard, which operates on existing wavebands. Solar Grove is launching a radio in India using the CML DRM module.

Management says that opportunities are at an all-time high. Design wins will benefit future years. The short-term outlook is more difficult to predict.

Ariana Resources reveals positive news from Dokwe project ahead of ASX listing

Mineral exploration and development *www.arianaresources.com*

Ariana Resources has revealed the updated economic model for the Dokwe gold project in Zimbabwe, which was acquired last year. This has increased the estimated value of the project. The ASX listing is set to happen by September and will provide additional funds to finance the development of the project.

The estimate is based on a gold price of $2,750/ounce, which is well below the current level of around $3,300/ounce. The estimated post tax NPV10 for Dokwe North is $354m at a peak capital funding requirement of $82m. The all-in sustaining cost is expected to be $1,144/ounce. This is based on an average annual production rate of up to 76,000 ounces of gold and a mine life of 13 years.

Monthly inflow could be £200m-£250m

Zeus has adjusted the valuation of Dokwe to take account of risk factors relating to funding, country and other factors and come up with a risked NPV10 figure of around $70m. That is twice the current market capitalisation. Since then, a new gold anomaly has been identified at Dokwe.

In 2024, the reported pre-tax profit jumped from £59,000 to £2.71m due to a rise in the contribution from the 23.5% owned Turkey-based associate company Zenit Madencilik from £2.08m to £5.69m. However, £4.43m was an inflation adjustment of the valuation of the investment relating to prior periods. Gold production commenced at Tavsan during the year, helping Zenit to generate record revenues.

ARIANA RESOURCES (AAU)	1.375p		
12 MONTH CHANGE %	-41.5	MARKET CAP £M	26.7

Ariana Resources had net cash was £913,000 at the end of 2024. The ASX listing could raise up to £7.5m via the issue of CHESS Depositary interests, where each individual CDI is equivalent to ten shares. Although the share price has slumped over the past year, it is back on a more positive trajectory.

Accsys commences production in North America

Wood acetylation *www.accsysplc.com*

Production of longer lasting Accoya wood has started at the joint venture in the US and this is transforming the prospects of Accsys Technologies. This increases overall capacity and will allow the Netherland's facility to switch capacity from supplying North America to other markets.

Revenues, including the 60%-owned joint venture, improved from €136.2m to €147.4m in the year to March 2025. Volumes increased from 56,568 cubic metres to 63,864 cubic metres. Production is building up in the US, so it remains loss making. The underlying group loss, including 60% of the US loss, was €9.9m.

ACCSYS TECHNOLOGIES (AXS)	65.5p		
12 MONTH CHANGE %	+19.1	MARKET CAP £M	157.3

Net debt was €38.3m at the end of March 2025 and this should be the peak following the recent capital investment.

Accsys is currently in phase 1 of its strategy which involves achieving annualised sales volumes of 100,000 cubic metres of Accoya wood by the end of March 2027. Phase 2 is optimising the use of the current capacity. That could mean annualised sales volumes of 120,000 cubic metres.

Phase 3 would be adding additional reactors in the US. The site has been designed so that at least two more reactors can be installed. These could cost up to $80m.

A small loss is forecast for 2025-26 before a move into profit the following year. Once US production moves nearer to capacity the group should be significantly profitable and cash generative. There will have to be decisions on further capacity at that point. Without additional capacity Panmue Liberum estimates that Accsys could generate pre-tax profit of more than €31m in 2029-30. Earnings could be 11 eurocents/share.

Volex spread of activities enables overall growth

Power and data cables *www.volex.com*

Dividend

Volex was historically a dividend payer when it was on the Main Market, but it stopped in 2013 before its move to AIM and did not resume until 2019-20 when the total was 3p/share. There have been steady increases in dividend each year since then.

The latest final dividend is 3p/share – the shares go ex-dividend on 31 July – and the total for the year is 4.5p/share. This year's dividend could rise to 4.75p/share. Because the results are published in US dollars it complicates the level of dividend cover, but it is more than five times based on forecast earnings.

Business

Volex has built up its presence as an international supplier of power cords and electrical accessories to a range of markets over the past decade. The original consumer market remains important, but it also supplies medical, industrial, electric vehicle and off-highway vehicle sectors.

Volex moved from the Main Market on 19 January 2018 and it was then valued at £129.1m. The company was previously split into power cords and cable assemblies divisions. This has been changed to a divisional structure based on key markets.

Excluding the consumer market, the focus is complex products in high growth markets. These products have to be reliable and rugged and there tend to be long product cycles.

The complex industrial technology sector is benefiting from strong demand for data centres, although there is a broad range of client sectors. Electrical vehicle products generated organic growth of 40% last year,

VOLEX (VLX)	
Price (p)	382.5
Market cap £m	699.3
Historical yield	1.2%
Prospective yield	1.2%

although this was partly down to destocking in the previous period. Even taking that into account, the trend is for double digit percentage growth. Medical was the only sector with a decline in revenues last year, which was due to one-off business in the comparative period. Again, there is a general upward trend.

Turkey-based Murat Ticaret was the largest ever acquisition and took Volex into the off-highway market. It exceeded its profit target for the first 12 months since its purchase. This is despite tougher agricultural and construction vehicle markets.

This is an international business with 46% of sales in Noth America, 38% in Europe and the rest in Asia. There are seven factories in North America, 15 in Europe and five in Asia – including two in China. This spread of production sites enables flexibility.

Management is well on the way to achieving its five-year plan of revenues of £1.2bn by 2026-27. The underlying margin target is 9%-10% and this has already been achieved.

In the year to March 2025, revenues improved from $913m to $1.09bn, with underlying pre-tax profit rising from $77.4m to $87.6m. Net debt is $125.8m.

This year's trading has started strongly. Organic growth of 4% is forecast. Profit growth could be modest this year. The shares are trading on 14 times prospective 2025-26 earnings.

Dividend news

In the six months to April 2025, public sector and engineering software supplier **Idox** increased profit by 14% to £6.4m on revenues 4% ahead at £45m. Order intake was 9% higher at £58.7m. Net cash was £200,000 at the end of April 2025. Idox has £110m of available facilities to finance acquisitions. The latest acquisition is Pilanz, which provides social care software and increases exposure to this local government sub-sector. Geospatial services remain a focus of expansion. Idox is expected to make a 2024-25 pre-tax profit of £16.1m and increase the dividend by 14% to 0.8p/share, which would be covered 3.3 times by forecast earnings.

Consumer products supplier **Supreme** is adapting to the ending of sale of disposable vapes. Growth in the wellness and drinks division helped to offset lower revenues elsewhere. Typhoo Tea made an initial contribution. In the year to March 2025, revenues rose from £221.2m to £231.1m, while pre-tax profit was flat at £32.4m. Total dividends have been raised from 4.7p/share to 5.2p/share. Net cash was £1.2m. A lower pre-tax profit is anticipated for this year, but the dividend is likely to be maintained. The forecast dividend cover is more than three.

Agricultural products supplier **Wynnstay Group** continued its record of growing dividends by increasing the latest interim by 2% to 5.7p/share. Revenues declined from £328.5m to £304.9m, mainly due to lower commodity prices, but underlying pre-tax profit improved from £3.8m to £5.4m. The stores contribution was steady, while arable and feed improved profitability. There will be cost savings from the closure of the Twyford feed mill. Cash is at a seasonal low, but net cash was still £10.3m. Firm farmgate prices provide a good backdrop to the second half. Full year pre-tax profit is expected to recover from £7.6m to £8.5m, with a total dividend of 17.8p/share.

Expert view: Registrars

Avenir's PISCES-ready Register-lite now available

By Jai Baker

As the PISCES framework continues to progress, at Avenir Registrars, we have been working hard to ensure our product set retains the flexibility to accommodate what could be a swathe of new issuers, each with a unique set of requirements or demands.

To that extent, our new Register-lite solution has now been launched, designed to provide a functional and flexible securities registry, sized to meet the needs not only of a company if it lists in the PISCES framework, but also to ensure a future-proof solution should the listing migrate to a more traditional market in the future.

This has been heralded in the media as an industry-first achievement and one that leverages the digital-first principles that sit at the very core of the Avenir proposition.

By having built our registry solution from the ground up, we have a wholly modular approach that allows components to be added and removed as necessary, meeting that objective of providing a bespoke product that is tailored to meet the needs of the company today – and adapt as their needs expand.

Cap tables

The proliferation in recent years of a narrative around cap tables is, in our opinion, rather unhelpful, with founders and business owners often being left under the impression that this product can provide an adequate solution to manage a register of members as a company grows.

Yet the reality is that the holdings on cap table products cannot be readily migrated into a Centralised Securities Depositary, presenting potential challenges in the future, unless a company and its shareholders are happy working on a nominee basis. This is an approach that in our experience many founders shy away from on the basis that it gives them insufficient visibility of beneficial ownership.

> We are always ready to discuss how our digital first solutions can meet your needs

Again, our Register-lite solution can deliver a great interim product for those companies looking to manage their register of members in an accurate and cost effective way.

The optionality of a CSD in PISCES

Whilst our default position is that we believe liquidity will always be better served if backed off by a CSD, the modular structure of the Avenir Register-lite product enables issuers to opt out of having this functionality.

It's a simple configuration process from our side and companies can do this, always safe in the knowledge that the process can be enabled quickly and seamlessly at a later date should it be required, if for example they elect to change PISCES operator who mandates this, or indeed migrate the listing to a legacy exchange.

A modular future

The modular nature of the entire Avenir Registrars proposition provides a winning combination for ensuring that any issuer can benefit from a solution which is structured to best meet their commercial needs.

This removes the burden both in terms of cost and knowledge that can come with attempts to deploy a one-size-fits-all solution. Our experience has shown that this results in an easier user experience which administrators prefer, whilst the removal of unnecessary cost makes it a positive solution for ensuring shareholder value, too.

> Our new Register-lite solution is designed to provide a functional and flexible securities registry

So, whether it's preparing for a PISCES listing, for a privately held company wanting to update a cap table or if you're already maintaining a full market listing, talk to us. We are always ready to discuss how our digital first solutions can best meet your registry needs.

JAI BAKER, Head of Business Development, Avenir Registrars (www.avenir-registrars.co.uk).

feature

Getinvested 2025: Identifying ways of improving investor participation

Individual share ownership in the UK has fallen from 54% in 1963 to 10.8% in 2022 and it is estimated to have subsequently dropped to around 8%. Getinvested is a campaign to increase participation in share ownership.

RetailBook, which provides private investors access to fundraisings by quoted companies, either through shares or debt, and to gilt issues has launched a campaign called Getinvested, which is designed to increase participation in UK stockmarkets.

RetailBook, lawyer Linklaters and fintech company iress have sponsored a report called Getinvested 2025, which aims to provide suggestions to encourage investment in the stockmarket. The percentage of people investing directly in the stockmarket has been falling for decades and the sponsors hope this this will be turned around, but it will not be easy.

Access

One of the things that has hampered investor access to secondary fundraisings is the €8m limit on offerings to the public before a costly prospectus is required to be published. This limit has stayed the same for years and inflation means it is not worth anywhere near as much as when the limit was put in place.

Sometimes, the offer is oversubscribed and applications from individuals have to be scaled back. That is because the institutions are not going to want their investments to be scaled back to provide the additional liquidity that comes with a retail offer.

Greatland Gold's fundraising to acquire the rest of the Havieron project had a retail offer and it was scaled back. This was prior to the recent change in holding company to Greatland Resources and listing on the ASX.

It is also difficult to gain access to new admissions when there is a prospectus. Fewer than 5% of UK flotations in the past two decades have included a retail offer. In recent year's this figure has risen to 30%, but the sample size is small because of the lack of new entrants. It may also reflect difficulties in getting cash from institutions and other investors.

Few of the larger flotations had retail participation, while some offered access to overseas investors but not those in the UK. When people are given the chance there can be significant demand that is unlocked and that could help the aftermarket.

Among other things, the report identifies "a legacy of paternalism" as a block to participation by small investors. The Financial Conduct Authority (FCA) became particularly cautious after the 2008 financial crisis.

This made it difficult for smaller investors to invest in anything deemed to be risky. Brokers almost had to try to persuade investors not to invest in small companies because they are deemed highly risky, purely based on size rather than financial strength, and they were concerned about getting into trouble with the regulator.

Yet NatWest Group, formerly Royal Bank of Scotland, shares are still more than 90% lower than 18 years ago. This is an all too obvious example of how large companies can be just as risky. Investors should assess individual companies rather than random groups of them.

The policies have led to the choice of cash or other investments rather than shares. This hampers the potential of companies to grow their businesses because they do not have access to the additional capital.

Investor participation

More recently there has been an attempt to move toward greater investor participation. A lot more work is required for this to become reality, though.

The UK is not like the US. Smaller investor participation is not going to get anywhere near to 33% like it is in the US – not in the next few years anyway. The UK investment culture is more skewed towards home ownership. Even so, there could still be a significant improvement in investment allocation to shares.

It is much easier to have cash savings than to invest in shares. The government is guilty of reinforcing this particularly when it comes to National Savings & Investments, which tend to be popular with individuals and savings products tend to be oversubscribed.

Cash ISAs and National Savings & Investments products account for half a trillion pounds of savings. Premium bonds account for £127bn and their return is unattractive when compared with shares and other investments. A small proportion of that money going into shares to help companies to grow would make a substantial difference to the economy.

The report highlights the £10.3m annual marketing budget for National Savings & Investments and questions whether this would be better spent on additional education for potential investors. They need to understand that buying shares should be viewed as a long-term investment. The US is better at making investors aware of the opportunity to invest in shares and increase their understanding of the issues.

Government

Different parts of the government take responsibility for various aspects of investment – sometimes completely different departments in the same branch of government - and it is not clear that they have a coherent and consistent policy when it comes to encouraging investment.

For example, the regulation of Individual Savings Accounts (ISAs) is managed by a different part of Whitehall to the decisions on ISA tax incentives.

The report suggests that a government minister should have the specific role of overseeing retail investment. This could help to align the policies in different departments.

New admissions

The FCA is expected to publish updated rules and a policy statement on new admissions during the summer. There has already been a consultation period.

However, the new listing rules will not come into force until next year. This could make potential new admissions delay their flotation until the new rules are clarified and come into force.

For some time, brokers' have been talking about having potential companies that are seeking to float, yet whenever there appears to be an upturn it proves short lived. The changes will hopefully persuade some of these companies to take the plunge.

What cannot be underestimated is the psychological effect of the poor performance of AIM flotations in 2020-21. AIM was doing well, and it attracted a more significant flow of companies. However, the performance of many has been awful. Some have gone bust and other have decided to leave AIM.

Many of the new admissions were either beneficiaries of lockdowns increasing demand for their services, such as online building products retailer CMO, or early-stage technology businesses. Renewable energy-related investments were in fashion with investors at that time, but after they floated the focus switched to cash generating business. This meant that the companies that required further investment to develop technology found it hard to come by.

Some successful flotations should help investors to regain confidence, which is particularly important if they are getting better access to investments in new admissions.

> Fewer than 5% of UK flotations in the past two decades have included a retail offer

> The report suggests that a government minister should have the specific role of overseeing retail investment

Recommendations

There are five recommendations in the Getinvested report: The first is the creation of a retail investment minister by the UK government. This would help to provide a unified government agenda for UK capital markets. This is unlikely to be straightforward, though. The HMRC and HM Treasury, for example, may be territorial when it comes to their roles.

It is likely to require someone who has a level of clout in the government to get the full cooperation of different departments and organisations. The minister would be helped by strong backing from the Secretary of State in the relevant department. Even having a coherent policy would be a positive thing.

The second recommendation is the development of a strategy that enables smaller investors to access fundraisings, whether they be for new admissions or secondary cash raisings by existing quoted companies.

The third recommendation is the creation of new tax incentives that encourage the public to make long-term investments in companies. There is no specific tax incentive mentioned.

The fourth recommendation is a national campaign that would combine the government and business and use some of the marketing budget of National Savings & Investments. This funding could be matched by industry funding and is envisaged as a five-year campaign.

In advertising terms, the National Savings & Investments marketing budget is not enormous, and it is unclear how much of it could be rerouted to this campaign. It is likely that it would be a small part of the budget. This means that the campaign will have to be carefully targeted to get as much value from each pound spent.

The last recommendation is a Getinvested stamp that marks out what are termed "retail friendly" investments so that they can be promoted. The exact decision making concerning which companies and issuers would meet the criteria is unclear. Random decisions based on size would not be helpful.

Then again, the report is just the beginning of a process that is envisaged to cover many years, so it is not going to have all the answers immediately.

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Industrials		18.9
Basic materials		16
Consumer		15.4
Technology		13.2
Health Care		11.1
Energy		10.8
Financials		10.2
Telecoms		1.8
Property		1.8
Utilities		0.5

KEY AIM STATISTICS

Total number of AIM	650
Number of nominated advisers	23
Number of market makers	20
Total market cap for all AIM	£66.3bn
Total of new money raised	£136.8bn
Total raised by new issues	£48.6bn
Total raised by secondary issues	£88.2bn
Share turnover value (May 2025)	£19.1bn
Number of bargains (May 2025)	4.5m
Shares traded (May 2025)	699.3m
Transfers to the official list	210

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	770.65	+0.82
FTSE AIM 50	4200.23	+0.97
FTSE AIM 100	3715.57	+1.02
FTSE Fledgling	12985.19	;+8.28
FTSE Small Cap	7185.64	+6.8
FTSE All-Share	4772.78	+7.21
FTSE 100	8760.96	+7.31

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	121
£5m-£10m	85
£10m-£25m	129
£25m-£50m	71
£50m-£100m	88
£100m-£250m	93
£250m+	72

TOP 5 RISERS OVER 30 DAYS

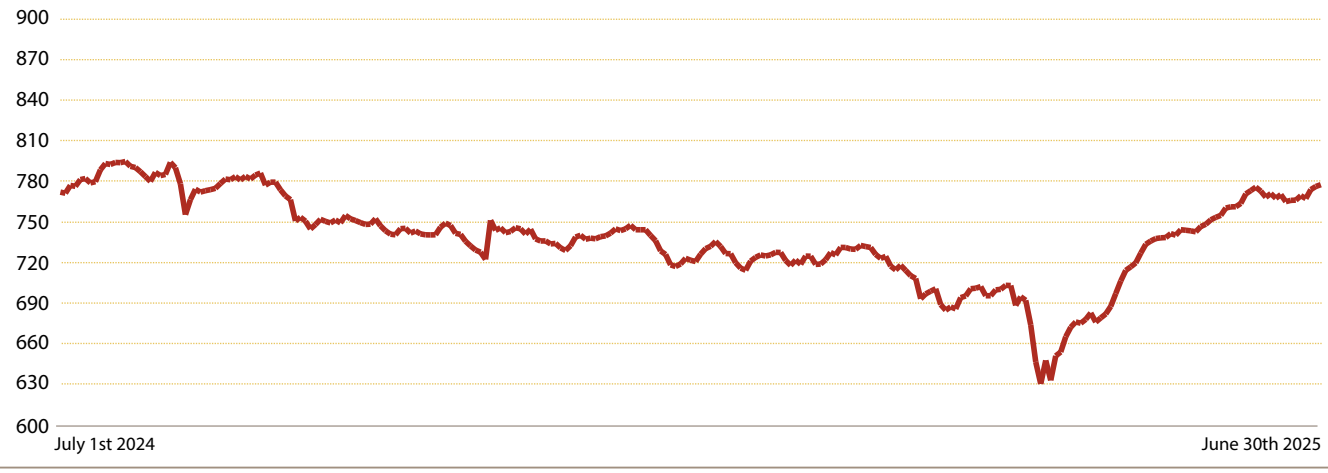
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Haydale Graphene	Technology	0.62	+307
Celadon Pharmaceuticals	Healthcare	13.4	+168
Tiger Royalties	Financials	0.33	+164
Empire Metals	Mining	26.75	+156
Tungsten West	Mining	11.4	+153

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Trellus Health	Healthcare	0.65	-63.9
4Global	Media	8.6	-60.9
Metals One	Mining	19	-53.7
Woodbois	Timber	0.03	-52
Premier African Minerals	Mining	0.0128	-49.8

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 30th June 2025, and we cannot accept responsibility for their accuracy.

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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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