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THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM JOURNAL

UK firms help AIM gains

AIM has outperformed the FTSE 100 index during May with a 3.4% gain compared with a 0.3% increase for the larger company measure. The FTSE AIM UK 50 index is 3.69% ahead, while the FTSE AIM 100 index is 2.94% higher.

Although there was a negative reaction by AIM to the Middle East conflict, it has risen 0.2% since the beginning of the war. The AIM 100 has declined, while the AIM 50 has risen by 2.3%, suggesting that investors are focusing on UK rather than international companies. The FTSE 100 has fallen 4.6% over the period.

The best performer in the AIM 50 during May was video games publisher Frontier Developments with a 41.5% gain. The company upgraded guidance for the year to May 2026 thanks to the success of Jurassic World Evolution 3, which has done better than its predecessor. Revenues of £103m are expected and underlying operating profit should be £16m. Electrolyser technology developer ITM Power continued its upward trajectory.

Some of the poorer performers from last year enjoyed a strong recovery during May. Translation services provider RWS rose 21.4%, while marketing data analysis and services provider Next 15 Group is 21% higher.

Commodity export controls announced in Indonesia led to a sharp slump in the share price of palm oil producer MP Evans due to the lack of clarity and uncertainty about how it would hit the company.

Surface Transforms assets sold

Carbon ceramic reinforced ceramic brake discs developer Surface Transforms appointed Alvarez and Marsal as administrator on 22 April. One month later, the main assets were sold to a company set up by former Surface Transforms non-executive director Ian Cleminson. Former chief executive Dr Kevin Johnson has subsequently joined the board of CCST Ltd.

CCST paid £1.4m for the trading business, intellectual property, contracts, equipment and stock of Surface Transforms. CCST is also paying £90,000 due to Close Brothers and has the opportunity to acquire a dynamometer held at a third-party site in Germany for £200,000. CCST is taking on the ten remaining employees and seeking to add to the workforce so that manufacturing can recommence in Liverpool.

Praetura Asset Finance Ltd has a fixed and floating charge over the assets of CCST. The agreement is signed by Ian Cleminson and is dated on the day of the announcement of the purchase of assets.

Ian Cleminson is executive vice president and chief financial officer of Nasdaq-listed speciality chemicals company Innospec. He became a non-executive director of Surface Transforms in May 2022.

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Coastal Africa shell float

Coastal Africa Group Ltd is a new investment company planning to join AIM in June. The company is based in the British Virgin Islands, and the focus is investment in assets in the energy sector in West Africa. It appears that the company wants to raise £30m.

Coastal Africa Group has already set up a company in a target jurisdiction. The initial acquisition is likely to be involved in oil and gas, and the intention is to build up a portfolio of oil and gas assets. Nigeria appears to be a country that could be the focus, and management does have experience in Nigeria. There are shallow water assets that are currently undervalued.

There could be opportunities to acquire assets being divested by larger companies, or partner with companies that have assets that can be developed. An alternative is investments in processing and storage facilities. Coastal Africa Group intends to make investments that will integrate upstream development, asset management and production. Cash generation is an important factor and if an asset is not generating cash currently it should be near to that point in its development.

The Crest Trust currently owns 91% of Coastal Africa Group. It is beneficially owned by the wife of chief executive Conrad Clauson and their four children, although 14.25 million of these shares are held to satisfy potential awards for the employee share scheme. Chairman Peter Kimpel owns 5%.

Conrad Clauson was an investor in Thailand-based shallow water oil and gas operator Coastal Energy, which was acquired by Cepsa in 2014 for an enterprise value of C$2.3bn.

Software purchase

Canada-based software consolidator Constellation Software Inc has taken a 3.16% stake in accesso Technology. The leisure and ticketing technology company recently bought back 12.7% of its share capital at 300p/share for a total cost of £14.5m. Constellation has previously bought stakes in other AIM software companies when their share prices are depressed. Last year, telematics firm Trakm8 was acquired for £7.76m. Previously, Constellation bought fitness centre software company Gladstone and staffing software supplier Bond International Software. At the end of March, accesso Technology bought visitor attraction data analytics company Dexibit for up to $7.1m, plus up to $5m based on performance.

Central Asia Metals regional diversification

Central Asia Metals has launched a recommended all share offer for ASX-listed Cygnus Metals, whose main interest is the Chibougamau copper gold project in Quebec. The offer is 0.06 of a Central Asia Metals share for each Cygnus Metals share, leaving the shareholders of the bid target with around 30% of the enlarged company. At a share price of 156p, the bid is valued at A$232m.

Chibougamau is in an area in Canada known for copper and gold products and there is already infrastructure available. The latest mineral resource estimate is 6.4 million tonnes at 2.3% copper, 0.8 g/t gold and 7.6g/t silver. This would diversify the group internationally and in terms of resources.

Central Asia Metals operates the Kounrad copper mine in Kazakhstan and the Sasa zinc and lead mine in North Macedonia. Production guidance for 2026 is a fall in copper production from 13,311 tonnes to 12,00-13,000 tonnes, zinc concentrate production is expected to rise from 17,881 tonnes to 18,000-20,000 tonnes and lead concentrate production should improve from 25,156 tonnes to 26,000-28,000 tonnes.

Central Asia Metals had net cash of $79.2m at the end of 2025 and that was set to rise to more than $100m by the end of this year. Cygnus Metals had A$32m in cash at the end of March 2026. The combined cash pile can be invested in developing Chibougamau, which could be producing in the near term.

Earlier this year, Central Asia Metals gained shareholder approval to cancel the share premium account so that distributable reserves were increased to enable future dividends and share buybacks. Prior to the announcement of the bid, the consensus forecast for Central Asia Metals was for a 2026 pre-tax profit of $109.1m and a dividend of 17.8p/share, up from 12p/share in 2025.

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Marechale Capital builds digital merchant bank

Corporate finance boutique Marechale Capital is turning itself into a digital merchant bank via three acquisitions. They will not only increase the scale of the business but take it into the fast-growing area of tokenisation, which is a market that could be worth more than $2 trillion by 2030.

The three companies will be acquired for 80 million shares at 1.75p each and a further £1.06m will be raised at the same share. The cash will enable investment in the tokenisation platform being acquired and should finance Marechale Capital until it reaches profitability.

Broker Stanford Capital Partners will broaden the existing services that can be offered to corporate clients, and it provides the ability to raise larger amounts for clients. Stanford was set up in 2018 and had net assets of £308,000 at the end of March 2025. Founder Patrick Stanford will become an executive director of Marechale Capital.

Asset management business NJC Capital can co-invest in opportunities brought to it by the corporate finance side of the group. It manages the NJC Capital Management VSA Private Fund Limited. Further funds could be created.

These businesses can provide clients for Delaware-based tokenisation company Blubird Global Inc, which has developed a multi-chain RWA tokenisation platform. This could be the growth engine of the group.

Tokenisation is still a relatively new market, and it is developing rapidly. The SEC in the US has agreed to a proposal from Nasdaq to enable certain stocks to be traded and settled in token form.

Digital tokens are issued on a blockchain. Blubird is effectively a registry operator for the tokens. It supports 23 major blockchain networks. So far, $2.6m has been invested in developing the technology and smart contracts expertise. There is a SaaS model that generates licence and royalty fees of 0.5% to 2% per transaction.

In theory, any asset can be tokenised, and then fractional elements can be traded. Blubird has handled tokenisation projects for property and mining assets, as well as coral futures for the Western Australia government. More than $32bn if assets have been tokenised on the Blubird Registry.

There have already been referrals to Blubird by other parts of the group. This includes a volcanic ash company in Australia that was referred by Stanford.

The recurring fees from Blubird and NJC Capital will provide a solid base for the group so that it is not so susceptible to the potential volatility of corporate finance and broking deals. There is an experienced management team that believes that Marechale Capital can become a substantial business by using its competitive advantage in digital assets.

■ In the year to March 2026, Canaccord Genuity increased revenues by one-quarter to $2.2bn, while pre-tax net income was 78% higher at $193.7m. The capital markets division generated revenues of $1.05bn.

UK and European capital markets generated revenues of $131.1m, up from $121.6m. The pre-tax profit margin improved from 6.3% to 7%. Investment banking revenues in the UK nearly doubled to $22m.

Metals and mining accounted for 51% of total global investment banking revenues, with technology contributing 15% and life sciences 8%. In contrast, 52% of global advisory revenues came from technology with the metals and mining sector generating 11%.

ADVISER CHANGES - MAY 2026

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
ADM Energy	Capital Plus	Cairn	Cairn	Cairn	5/1/2026
GenIP	CMC / AlbR Capital	AlbR Capital	Beaumont Cornish	Beaumont Cornish	5/1/2026
Landore Resources	SP Angel / Hannam & Partners	Strand Hanson / Hannam & Partners / AlbR Capital	SP Angel	Strand Hanson	5/5/2026
Botswana Minerals	VSA / First Equity	First Equity	Strand Hanson	Strand Hanson	5/18/2026

Signs of recovery in demand for Nexus Infrastructure but timing remains uncertain

Infrastructure services *www.nexus-infrastructure.com*

Nexus Infrastructure has a strong order book, but the timing of these orders is still difficult to predict. The core Tamdown subsidiary provides utility infrastructure and groundworks services to housing developments. The order book was worth £88m at the end of March 2026. The anticipated upturn in housebuilding has yet to be achieved and this is holding back the progress of the business.

In the six months to March 2026, Nexus Infrastructure revenues improved from £30.6m to £32.3m, while the loss was cut from £1.4m to £1.1m. Tamdown was hampered by a wet winter as well as a weak construction market.

The water business was hit by delays in ramping up investment at the start of the new five-year capital investment cycle for the sector (AMP8), although revenues did improve. This business was acquired to provide exposure to the water and rail sectors because of their significant requirements for regular investment. This income should be less volatile than the exposure to new build, but there is still cyclicality to workflows. Water spending is likely to start to ramp up by the end of 2026, so it may not happen until the next financial year.

The order book is worth £88m

Net cash was £8.5m at the end of March 2026. That cash pile enables the continued payment of dividends. The interim dividend was unchanged at 1p/share and there could be a 10% increase in total annual dividend to 3.3p/share. That would provide a 3% yield.

NEXUS INFRASTRUCTURE (NEXS)			109p
12 MONTH CHANGE %	-31.9	MARKET CAP £M	9.8

Zeus believes Nexus Infrastructure could break even on 2025-26 revenues one-fifth higher at £79m. The cash pile should remain steady depending on working capital requirements. There should still be plenty of cash to cope with any working capital requirements if there is a more rapid improvement in trading that would move the company back into profit.

Conditions remain tough for Lords Group Trading

Builders' merchant *www.lordsgrouptradingplc.co.uk*

Builders' and plumbers merchant **Lords Group Trading** had a disappointing 2025 and the outlook does not appear to be getting any better this year. A recovery in the company's markets still seems some way away. Interest rates are no longer coming down. New build and repair and maintenance markets in the UK may not grow this year.

In 2025, revenues improved from £436.7m to £472.8m, with an initial contribution of £25.8m from the CMO online retail operations acquired during the year. Pre-tax profit fell from £3.8m to £2.8m. The dividend was cut from 0.84p/share to 0.52p/share.

LORDS GROUP TRADING (LORD)			17.25p
12 MONTH CHANGE %	-51.4	MARKET CAP £M	28.7

Merchanting sales increased, but there was a decline in like-for-like sales in the plumbing and heating division. Three newer branches will make a full contribution this year, but margins continue to be squeezed.

Management argues that a strengthened balance sheet following property disposals puts it in a better position. Net debt is still £13.4m and it could rise to £18.4m by the end of this year. Acquisitions are unlikely in the short-term although there are spare bank facilities.

A further decline in pre-tax profit to £2.3m is forecast for this year, before a recovery to £3.5m in 2027 – which is less than the previous forecast for 2026. The shares are trading on 16 times prospective earnings, falling to 11 in 2027. The yield is 3%. There is significant operational gearing in the business and there is plenty of scope for the profitability of Lords Group Trading to recover.

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Jadestone Energy improves cash generation and seeks partner for Vietnam assets

Oil and gas *www.jadestone-energy.com*

Asia Pacific-focused oil and gas producer **Jadestone Energy** is generating significant amounts of cash and important deals could be achieved this year that will put the company in a strong position.

The farm out process of the Vietnam asset has started and there is plenty of interest. The Nam Du/U Minh development has 2P reserves of 32mmboe. A deal – possibly a farm out of a 40% stake - could be secured within six months.

In 2025, Jadestone Energy reported a loss of $133.7m on revenues of $408m for 2025, but that figure is complicated by $126m impairment charge and the $18.5m write off for the abandonment of the SKUA-11 well. That masks

Net debt has fallen to $5m

the strong cash generation of the business.

Cash generated from operating activities was $91.4m, helped by lower operating costs, and along with the $39.4m proceeds from a disposal this was more than enough to fund capital expenditure and interest charges. Net debt reduced to $89.1m. Jadestone Energy has refinanced debt through a $200m bond issue.

Production in 2026 could be at the lower end of the 18,000-21,000 boe/day guidance range – last year

JADESTONE ENERGY (JSE)			32p
12 MONTH CHANGE %	+64.1	MARKET CAP £M	174.3

it was 19,829 boe/day – because of a storm stopping production at the Stag field. That should generate enough cash to cover investment this year.

By the end of April 2026, net debt had fallen to $5m, so with the new bond Jadestone Energy has plenty of available funding to take advantage of existing and new opportunities. Capital investment is set to increase so net debt will start to increase. Hannam & Partners estimates a risked NAV of 66p/share, which is based on an oil price of $85/barrel in 2026 and $70/barrel in 2027.

New Prospex Energy boss invests in future

Oil and gas *www.prospex.energy*

Oil and gas company **Prospex Energy** has appointed Tom Reynolds as chief executive, who is the former boss of Scirocco Energy, and reviewed its portfolio of assets. He has also bought an initial 698,549 shares at 3.58p each. This year will be a period when the investments are made that should pay off in 2027.

Prospex Energy reported a 2025 loss of £2.81m, but that was after an investment valuation write down of £2.54m. This is because Prospex Energy is classed as an investment company, so its assets are revalued every year. The value changes with

PROSPEX ENERGY (PXEN)			3p
12 MONTH CHANGE %	-41.7	MARKET CAP £M	13

the oil price. There would be an increase in value if the current oil price were used.

Increased income from the Selva field in Spain reduced the underlying loss from £745,000 to £273,000. The income from Selva is included in finance income rather than being reported as revenues because of the way the investment is held.

These figures are prior to the recent rise in the gas price. First quarter income from Selva was £912,000, which is similar to the income from the field for the whole of 2025.

Prospex Energy will use the cash it is generating and the £2m raised from the convertible loan note issue to expand production at Selva and develop other interests in Spain and Poland, where licences have recently been awarded. The company has done a deal with IMMAGE which will contribute up to $1.5m to cover coring and logging operations of the late Miocene to Pliocene sequence in a subset of the planned five wells at the El Romeral project.

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B90 Holdings seeks to take performance marketing expertise into new sectors

Online marketing technology *www.b90holdings.com*

B90 HOLDINGS (B90)			2.4p
12 MONTH CHANGE %	+37.1	MARKET CAP £M	10.6

B90 Holdings has been proving the effectiveness of its online performance marketing technology in the gaming sector. Management believes that the expertise in AI-based performance marketing can be used in other sectors.

B90 generates leads for online casino and sports betting companies. This uses AI technology that takes in information and assesses how to cost effectively attract new online players. This enables the process to be automated. A website can be built for an online gaming brand in a few seconds. Regulation and tax changes provide additional opportunities as online gaming companies try to offset these negative effects.

The AI technology can take the data from other sectors and provide leads for other products in a similar cost-effective manner. This could be in retail or financial services. Management has a background in online gaming and that helped it to grow in the sector. It may take some work to break into the newer sectors despite having the online gaming evidence of success. This means that the timing of deals is uncertain and it is unlikely that there will be a significant contributio`n this year.

Cash was €1m at the end of 2025

All the technology development spending is expensed and not capitalised. In 2025, revenues more than doubled to €7.2m and pre-tax profit was €1.1m, up from €700,000. Importantly, there was €603,000 in cash generated from operations and net cash was €1m at the end of 2025. Cash is being ploughed back into the business to help it grow, but the cash pile should continue to rise.

This year, the current operations could generate a pre-tax profit of €1.6m. The World Cup may boost gaming activity. That forecast does not assume income from other sectors. The shares are trading on eight times prospective 2026 earnings. That is a low rating even before taking into account the upside from additional sectors.

Microlise takes long-term view

Telematics *www.microlise.com*

MICROLISE (SAAS)			42p
12 MONTH CHANGE %	-60	MARKET CAP £M	48.7

Fleet management software supplier **Microlise** has decided to accelerate investment so that it can take advantage of the growth prospects in its market. This will hold back medium-term profit. Microlise has a 58% market share for heavy goods vehicle fleets of more than 500 vehicles. Annual recurring revenues are £59.2m and management believes that the potential target market is worth £300m in annual recurring revenues.

In 2025, revenues improved from £79.5m to £84m, but underlying pre-tax profit dipped from £6.5m to £2.6m. The dividend was raised from 1.81p/share to 1.9p/share. Net cash was £16.7m at the end of 2025.

Delays to direct sales clients, including to one retailer that suffered a cyber-attack, and lower orders from global OEM customers led to a downgrade in forecasts late last year. Net revenue retention for direct customers was 108%. Investment should reduce implementation times and lower customer acquisition costs so that it is viable to target smaller customers.

Canaccord Genuity forecasts a recovery in pre-tax profit to £3.6m on flat revenues in 2026. Annualised savings of £5m were achieved last year, but increased investment will lead to higher depreciation and amortisation charges. A cash outflow of £5.9m is expected after £9m of capital expenditure, so net cash could fall to £10.8m. The shares are trading on 20 times prospective 2026 earnings, falling to 13 the following year if expectations are met. The fall in the share price since December has made the shares attractive.

Anglo Asian Mining restarts dividend as production increases

Mining *www.angloasianmining.com*

Dividend

Anglo Asia Mining has returned to paying dividends. The dividend for the 2025 financial year is 4 cents/share, which is equivalent to around 2.97p/share – although the final conversion rate will be decided at the end of July. That costs $4.6m. The shares go ex-dividend on 6 August.

There were two dividends paid for the 2022 financial year, which totalled 6.7p/share, up from 6.21p/share the previous year. Dividends had been paid since 2018.

It is unclear what the dividend will be this year. A dividend policy is being considered. The idea is to pay a consistent dividend that will still leave the cash required for investment. An interim and a final dividend are planned for 2026.

Business

Anglo Asian Mining is focused on Azerbaijan and gold originally dominated sales, but new mines mean that copper is becoming increasingly important to the group.

Strong relationships have enabled Anglo Asian Mining to prosper in Azerbaijan and overcome challenges. The hiatus in dividends came about because of a fall into loss in 2023 when there was an environmental inspection carried out at the Gedabek mine. This concluded that there was no contamination of groundwater from the tailings dam. The company was told to modernise equipment and improve relations with the local population.

In 2025, revenues jumped from $39.6m to $122.8m and there was a swing from a loss of $21.3m to a pre-tax profit of $25.8m. This enabled a move from net debt to net cash of $2.6m by the end of 2025. That is after capital investment of $27.4m and that figure could rise to $88m this year.

ANGLO ASIAN MINING (AAZ)	
Price (p)	360
Market cap £m	411.6
Historical yield	0.8%
Prospective yield	0.8%

There was 25,061 ounces of gold produced in 2025, up from 15,073 ounces in 2024, and 7,915 tonnes of copper produced, compared with 377 tonnes previously. The Gilar underground copper gold mine at Gedabek and the Demirli copper mine both came on stream during 2025 and they are set to make full contributions this year.

In the first quarter of 2026, 3,711 tonnes of copper and 6,062 ounces of gold were produced. This was achieved even though there was a problem at the Demirili processing plant – this has been rectified. Production guidance for 2026 is 20,000-25,000 tonnes of copper, 28,000-33,000 ounces of gold and 170,000-210,000 ounces of silver.

An operating profit of $119.2m is forecast on revenues of $305m for this year. After capex, that should leave free cash flow of $13m to help fund the dividend.

There are two more projects north of the Gedabek area. Feasibility studies are planned for both the Xarxar and Garadag projects. These should be delivered next year. XarXar could be in production by 2028 and Garadag, which has the larger potential resource, two years later.

The share price has been on an upward trajectory for two years. This reflects the strong metals prices combined with the increasing production.

Dividend news

Even though telecoms billing and customer relationship management software provider **Cerillion** reported a decline in revenues and profit in the first half it still raised the interim dividend by 15% to 5.5p/share. This is because management is confident that Cerillion will meet full year expectations of an improvement in pre-tax profit from £21.8m to around £23m. The £42.5m Omantel contract won at the beginning of the year will contribute in the second half. The full year dividend is expected to be 16.9p/share. Net cash of £41.2m is forecast for the end of September 2026. The dividend is expected to be increased by at least 10% each year.

Photonics products manufacturer **Gooch & Housego** grew organically thanks to increasing demand for aerospace and defence products. This was supplemented by two defence acquisitions. Overall, revenues were 16% higher at £81.9m, while pre-tax profit improved 14% to £5.8m, even though there was a dip in the contribution by the life sciences division. After acquisitions, net debt has reached £36.6m. The group order book improved from £142.4m to £167.3m with all three divisions contributing to the rise. There are positive signs for industrial demand with a recovery in semiconductor manufacturing. The interim dividend is maintained at 4.9p/share. The full year dividend could be 3% higher at 13.6p/share.

Assets under management continue to decline at **Impax Asset Management** and interim pre-tax profit slumped 45% to £11.3m on revenues that declined 23% to £58.8m. The interim dividend was halved to 2p/share. The second half is set to be even weaker. Costs are being cut and there will be redundancies. It is hoped that improved performance of the company's funds will help to attract cash inflows. The total dividend for the year is likely to be halved to 6p/share, which would be 1.1 times covered by forecast earnings.

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Regulator FCA attempts to improve efficiency of London listings

The Financial Conduct Authority (FCA) has published proposals that it believes will help to improve the working of the market and attract more new admissions. This is key to the continued success of London as a venue for growth companies.

Obtaining information on companies planning to float can be difficult. Clients of advisers will get access to the data and information, but other investors may not be able to access research until well into the flotation process. This does not help when it comes to attracting companies to London and they can decide to go elsewhere.

Attracting those growth companies is important for the London market. Ensuring that investors can assess all the information that they require to make a decision is key to encouraging interest in a company and the subsequent liquidity of share trading when it joins the market.

Previous changes

Back in 2018, the Financial Conduct Authority (FCA) changed its rules on access to research and information on flotations, but it does not believe that the changes worked in the way that the financial markets regulator felt that they would. The FCA has published new proposals that it believes could improve the market for new admissions.

The feedback from the market was that those previous changes designed to encourage independent research not connected to the advisers of a flotation have not worked. When there was only connected research available until the final prospectus was approved it was argued that this had too much weight in guiding the valuation of the business. Encouraging alternative sources of research was expected to offset this influence and make the pricing of new issues more transparent.

However, the equal information rules appear to have added costs and market risk. The addition of a seven-day delay for connected research has not helped. By lengthening the process, it increases the risk that new events will require an update to a prospectus or generally affect the success of the flotation.

The Investment Research Review published in 2023 recommended a review of the rules on investment research for flotations. The latest consultation paper published by the FCA titled Changes to information flows for UK equity IPOs addresses this recommendation.

New proposals

The new proposals suggest a five to ten days investor education period after the intention to float announcement followed by another five to ten days for a management roadshow and bookbuild. This would be followed by the announcement of the share price and the start of conditional trading.

This indicative timetable would not preclude independent analysts from requesting information from the company prior to these periods. Connected research would be published at the time of the intention to float announcement rather than having a seven-day delay.

The consultation period has come to an end. The FCA will assess the reactions provided by market participants and will then publish a policy statement ahead of the final rule changes.

These proposals are focused on the Main Market, but they provide an indication of the changing view of the FCA when it comes to regulation of stockmarkets. The changes indicate that the FCA is willing to be flexible and reassess previous decisions so that it can continue to make regulation fit with the requirements of a modern stockmarket. In the past attempts to protect investors have gone too far and just made it more difficult to invest in smaller companies, but this has changed in recent years. The FCA is obviously keen to make London a more attractive venue for flotations and ongoing trading.

The FCA has published new proposals that it believes could improve the market for new admissions

QCA calls for the British Business Bank to back growing AIM-quoted companies

The British Business Bank has nearly £26bn to invest and The Quoted Companies Alliance (QCA) thinks that it should put some of that cash into quoted smaller companies. The argument is that using £1bn of the cash would provide a significant boost to smaller companies.

Smaller companies can find it difficult to raise the money they require to grow their businesses and the outflow of cash from smaller company funds has not helped in recent years.

It is estimated that over the past three years the average monthly outflow from UK smaller company funds is £91m. There has been no single month were there has been a inflow to these funds.

There needs to be new sources of finance to help to plug the gap, particularly when the companies are no longer able to raise cash from Venture Capital Trusts or Enterprise Investment Schemes because they are too large or have already maxed out that source of cash.

It is no secret that not only are companies deciding to leave AIM because they do not believe they get value from the quotation and find it difficult to raise money there are also a lack of replacements. The weak market over recent years, despite some signs of an improving performance, has certainly put many companies off. Difficulties in raising cash will be another factor.

Even companies that have joined AIM have found it difficult to continue to raise further cash so that they can continue to grow. That is particularly true of many technology companies that joined AIM in 2020 and 2021.

Deutsche Numis surveyed a range of companies asking if they thought UK companies were undervalued compared with global markets and 90% of AIM companies asked thought they were. Two-fifths of AIM companies surveyed thought that the undervaluation was more than 20%.

> Over the past three years the average monthly outflow from UK smaller companies funds is £91m

The table shows how the prospective multiple of AIM does not reflect the level of earnings growth forecast. Even though the earnings growth is less than for Nasdaq the gap in the prospective multiples appears far too large.

The lower valuations of many companies on AIM have led to them being acquired and many of the bidders are from outside the UK. So, successful growing UK companies can lose their independence at a stage when their growth is about to accelerate.

British Business Bank

The British Business Bank does include details of how to gain an AIM quotation on its website. This is provided as information to companies rather than a recommendation.

The British Business Bank has invested in some companies that have been quoted on AIM, although that appears to be before they joined. In July 2020, the British Business Bank's Future Fund invested in Libertine Holdings, which was a developer of linear electrical machines and controls used in efficient and fuel flexible powertrains for commercial vehicles. The investment was to help to accelerate the development of the technology.

Sheffield-based Libertine Holdings joined AIM in December 2021, when it was valued at £27.6m. Interpath was appointed as administrator in 2024 when cash ran out and investors were unwilling to provide any more. The core business was sold for £109,920.

Providing additional funding through share subscriptions after Libertine Holdings joined AIM could have helped to bridge the gap in funding. However, the British Business Bank does not appear to make investments in quoted companies.

Vision

The British Business Bank's vision is to help UK businesses to start, scale and stay based in the UK. The new government mandate means that there will be a step-change in financing for high-growth companies in priority sectors.

The investment arm has £2bn to invest in each of the next five years. That is double previous levels following the government's spending review.

There can be direct investment in UK companies or investment in funds that specialise in growth sectors and/or small growth companies.

Investment in funds

Investment in funds focused on growing companies could be in the form of debt or subscribing for shares in the fund or fund manager.

The British Business Bank has direct stakes in investment companies and fund managers. For example, it has an 8.93% stake in space-focused Seraphim Space Investment Trust. This investment dates back to the flotation in 2021 and at one stage the shareholding was 12.7%.

This provides exposure to exposure to space companies that have already made progress, rather than early-stage businesses. Not all of them are UK businesses, though.

The British Business Bank will also invest directly in some of these companies. For example, Seraphim Space Investment Trust invested in SatVu, which is a UK business developing technology to monitor the heat signatures of any building on the planet to provide insight into carbon footprint and energy efficiency. The British Business Bank subsequently invested £5m in SatVu's latest £30m fundraising, alongside the NATO Innovation Fund.

Regional-focused fund manager Mercia Asset Management has the mandate from the British Business Bank for Northern Powerhouse funds. When this deal was announced it added £153m to assets under management at Mercia Asset Management.

The trouble is these funds focus on unquoted companies, although some investments do eventually float.

The general strategy could be used for investing in AIM companies. Specialist funds with expertise could be provided with finance and be used as investment vehicles. Follow on investments in specific companies that are proving to be a success could follow later.

Injecting £1bn

In the report Banking on Britain: How to catalyse more investment for UK growth companies the QCA states that not all of the British Business Banking investments should be in unquoted firms. It is in the nature of those investments that they will tend to be early stage, but that does not mean that AIM companies are not relevant to the strategy.

The QCA argues that the benefit from a £1bn injection of capital by the British Business Bank would have a knock-on effect of attracting other investors back to the market. It would provide a positive signal to investors and help to improve sentiment.

This level of investment would help to offset the current levels of outflow from smaller company funds. The focus should be on companies that have a market capitalisation of less than £100m.

The British Business Bank could develop an attractive portfolio of AIM and other small companies.

There appears to be available cash for investment, but the global uncertainties mean that investors are still cautious. If they were confident that the companies could raise the cash they require and there was improved liquidity in the shares, then they would be more inclined to come back to AIM. This could help to improve relative valuations of the companies and thereby attract more companies to AIM. The QCA suggests that the unquoted companies backed by the British Business Bank should be required to float in the UK as part of the conditions of the funding.

The QCA sets out ways that the British Business Bank could maximise the positive effects of its funding.

This includes using the recently launched online portal called Venture Link that provides institutions with information on existing investments, and this could be broadened to UK smaller company funds.

Another suggestion is allocating some of the funds to provide grants for equity research firms to incentivise the production of research into smaller companies. Making this research freely obtainable by all investors would increase knowledge and understanding of these companies. There has been talk for many years of improving the amount of research on smaller companies and accessibility of that research by private investors. This may provide a way of achieving this.

Banking on Britain: How to catalyse more investment for UK growth companies is available on www.theqca.com.

MARKET COMPARISON - FORECAST GROWTH / VALUATIONS	3 YEAR EARNINGS CAGR TO 2027	PROSPECTIVE EV/EBITDA MULTIPLE TO 2026
Nasdaq Composite Index	22.80%	17.62
FTSE AIM All-Share	19.24%	6.5
FTSE 250 ex Investment Trusts	12.55%	7.52
FTSE 100	7.19%	8.61

Source: Octopus Investments / Factset

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Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Industrials	24	17.8
Basic materials	20.7	16.9
Consumer	17.1	17.1
Health Care	9.5	9.4
Energy	9	10.8
Technology	8.1	13.1
Financials	7	9.7
Property	1.6	2.1
Utilities	1.5	0.3
Telecoms	1.5	1.3

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	821.25	+9.99
FTSE AIM 50	4189.94	+1.68
FTSE AIM 100	3841.25	+6.24
FTSE Fledgling	13659.9	+11.1
FTSE Small Cap	7921.94	+14.1
FTSE All-Share	5604.03	+17.7
FTSE 100	10409.28	+18.7

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	94
£5m-£10m	82
£10m-£25m	116
£25m-£50m	81
£50m-£100m	92
£100m-£250m	85
£250m+	67

KEY AIM STATISTICS

Total number of AIM	609
Number of nominated advisers	23
Number of market makers	20
Total market cap for all AIM	£68.2bn
Total of new money raised	£141.8bn
Total raised by new issues	£48.8bn
Total raised by secondary issues	£92.7bn
Share turnover value (Apr 2026)	£19.3bn
Number of bargains (Apr 2026)	4.91m
Shares traded (Mar 2026)	691.3m
Transfers to the official list	219

TOP 5 RISERS OVER 30 DAYS

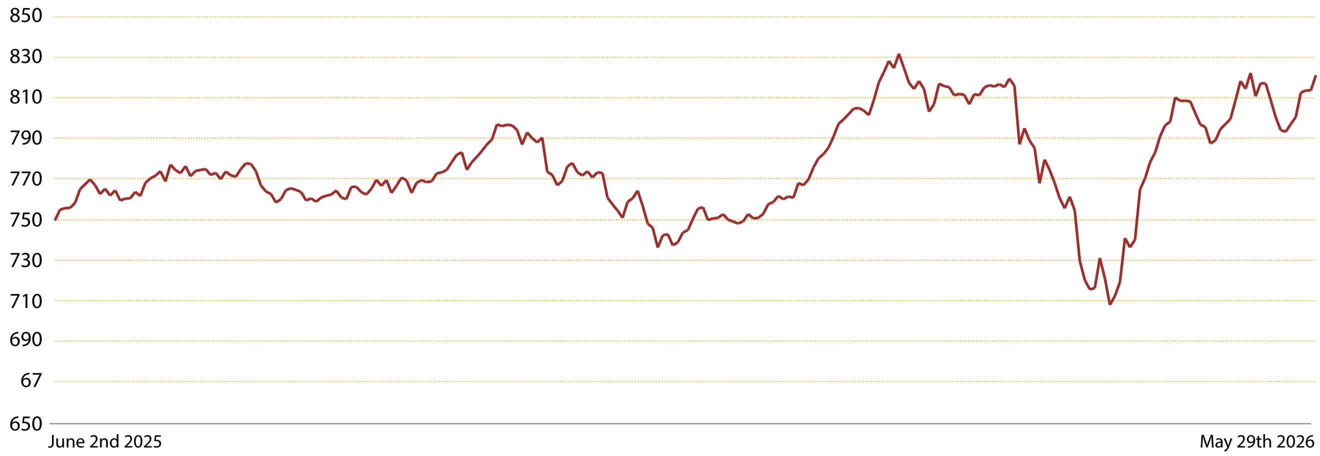
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Mercantile Ports & Logistics	Transport	1.6	+276
Pacsco	Agriculture	0.9	+200
Bradda Head	Mining	3.8	+145
CelLBxHealth	Healthcare	2.15	+139
Tern	Technology	1.3	+117

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Dotlines Global	Technology	12	-71.4
Sound Energy	Oil and gas	1.88	-55.8
GenIP	Technology	5.5	-51.1
Sunda Energy	Oil and gas	1.6	-44.8
Mothercare	Retail	0.61	-42

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 31st May 2026, 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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