Avenir REGISTRARS
Equity listings | Bond issuance | Register keeping | Receiving Agent duties

JUNE 2025

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM JOURNAL

AIM rises ahead of birthday

As AIM comes up to its 30th birthday it had a more successful May with an increase of 8%. That means that it is 4% higher than at the start of the year. This reflects a general stockmarket recovery after the initial tariff jitters. The number of companies continues to decline with some switching to the Main Market, but replacements remain thin on the ground.

Bid activity continues to dominate the market. Pawnbroker H&T is recommending a 650p/share cash bid from FirstCash and shareholders will also receive the previously announced 11p/share final dividend. This values H&T at £297m. FirstCash operates pawnbrokers in the US and Latin America and this deal will add a UK presence.

Former AIM company Sureserve, which provides compliance and energy saving services, is bidding 87.5p/share in cash for Kinovo, which values the provider of electrical compliance services for social housing at £56.4m. Management has improved the performance of Kinovo and it has become highly cash generative.

Bid approaches include two potential offers for chain manufacturer Renold. One is 77p/share in cash from Webster Industries and the other is 81p/share in cash from a consortium comprising Buckthorn Partners LLP and One Equity Partners IX, L.P. There is also an approach for Scotland-based Craneware, which provides accounting and billing software to US hospitals, from Bain Capital.

Marlowe recommends Mitie bid

Marlowe is recommending a cash and shares bid from fully listed facilities management company Mitie, which is offering 1.1 of its own shares and 290p in cash for each Marlowe share. At a Mitie share price of 160p, each Marlowe share is valued at 466p/share. The company is valued at £366m. However, the Mitie share price fell after the announcement.

Marlowe will add compliance capabilities in fire, security and water and air quality to the Mitie group. Forecast earnings for the year to March 2025 are 15.5p/share, rising to 18.7p/share in the current year. That means the bid is at 25 times prospective 2025-26 earnings.

Occupational health services provider Optima Health was spun out of Marlowe last September. Marlowe shareholders received one Optima Health share for each Marlow share they owned. This had a notional value of 155p/share, and the share price has risen to 192.5p. Even if this is added back to the Marlowe share price, the figure is 658.5p/share, whereas the peak share price was £10.50 at the beginning of 2022.

This recommended bid represents the latest exit of a company where Lord Ashcroft is a significant shareholder from AIM.

In this issue

Sundae Bar's AI launch

Sundae Bar moved to AIM from the Aquis Stock Exchange on 3 June. The company was formed from the merger of Kondor AI and Ora Technology following an all share offer by the former. A placing raised £2m at 8p/share. That valued the company at £33m. Pro forma net assets are £2.18m.

The Sundae Bar AI platform has been developed by integrating the technologies of the two companies. It can cover a wider range of AI agents and Ora's technology makes it easier to scale up the operations. An AI agent is a program capable of autonomously performing tasks on behalf of a user or another system by designing its workflow. The platform has been developed to make it easier for AI developers to design and monetise AI agents. It is also designed to help businesses take advantage of AI technologies.

There will be three subscription tiers to the Sundae Bar platform. The basic tier would be around £10/month, the second £65/month and the third £100/month. There will also be a percentage fee on each sale of an AI agent, as well as potential advertising and promotion income.

Investment is being poured into artificial intelligence. The AI agent market is worth $5.1bn. According to Statista Market Insights, it could be worth more than $47bn by 2030. Growth will come from the expanding use of AI in areas such as autonomous vehicles and smart cities.

Sundae Bar has launched its live beta AI agent marketplace. Three AI agents have signed up. This is the first phase. The full launch should happen within one year. After that the platform will be scaled up and more features added.

Rosebank returns

Cash shell Rosebank Industries restarted discussions for the purchase of critical electrical distribution systems supplier Electrical Components International Inc (ECI) and has agreed a $1.9bn deal. There are plans to improve margins and cash generation. Rosebank Industries had previously ended talks saying that there was support for the deal from existing and potential new shareholders, but it decided not to go ahead because of stockmarket volatility. A placing has raised £1.14bn at 300p/share – a large discount to the market price. An open offer could raise another £6.7m. Trading in the shares has been suspended. Rosebank Industries joined AIM on 11 July 2024 after raising £50m at 250p/share.

Reducing the size of annual reports

The Quoted Companies Alliance (QCA) is recommending a reduction in the size of annual reports to make them more readable for investors. In, Close the Book: It's time to cut annual reports down to size, there are six recommendations that could reduce the time and cost of producing annual reports.

Analysis of the word counts of AIM annual reports shows that the average figure has increased by 23% to 41,905 words between 2018-19 and 2023-24. That is still barely two-fifths of the average number of words in a Main Market annual report with larger companies averaging even more. FTSE100 constituents average 152,262 words and that has increased by 27% over the period.

One of the major areas where the number of words has risen is the remuneration report. The number of words for this section of an AIM annual report increased by nearly one-third. The addition of ESG disclosures has also added significantly to the word count.

The QCA report recommends that non-financial reporting should be standardised and be made proportional to reduce unnecessary disclosures. Reporting requirements should also be rationalised for larger companies. The third recommendation is that the government should review the application of exemptions in the Companies Act 2006 so that a greater number of companies are excluded from the more stringent reporting requirements.

The QCA also recommends that areas of duplication in remuneration and ESG reports should be reduced. Another recommendation is that the government should conduct regular stress testing to identify duplications in regulations.

The final recommendation is that there should be investigations into potential use of artificial intelligence and digital reporting. The Financial Reporting Council should explore the implications of these developments in helping to streamline annual reports.

Puma AIM VCT remains open

Shore Capital went against the prevailing trend by launching Puma AIM VCT. This was the first new AIM-focused venture capital trust in 17 years. It started trading on the London Stock Exchange in early April, but the offer for subscription at 100p/share remains open.

The focus is AIM companies that have an established market presence and growth prospects. This is good news at a time when more investment is required in AIM companies, following fund outflows.

There have been 15 other Puma VCTs launched over two decades. There is also a Puma AIM IHT service, which has outperformed AIM and the FTSE All Share index over the past eleven years.

An early investment was in anti-counterfeit technology developer Quantum Base Holdings. Although the focus is AIM companies, companies on the Aquis Stock Exchange will be considered and there has been an investment in Aquis-quoted sustainable engineering technology company Time to ACT. There may also be investments in private companies.

Puma AIM VCT intends to pay dividends when the portfolio matures. The intention is to reach average annual dividend payments of 5p/share. The cash could come from income or the sale of investments.

The offer for subscription can raise up to £10m, although there is an over-allotment facility of a further £10m. There are currently 5.77 million shares in issue. The minimum investment is £3,000.

■ Specialist IFA **Frenkel Topping** has received a bid approach from Harwood Private Equity. Discussions are advancing and the possible cash offer is 50p/share. That values the company at £61.5m. There is a potential alternative offer for each Frenkel Topping share of 10p in cash, 6p in loan notes issued by the bid vehicle, 1p in ordinary shares in the bidder and 33p of preference shares in the bidder. Shareholders would still receive the 1.375p/share final dividend for 2024, which is not due to be paid until 17 October.

Frenkel Topping is forecast to generate 2025 pre-tax profit of £7.6m on revenues of £42.2m. The bid is equivalent to 12 times prospective 2025 earnings. Net cash was £3.1m at the end of 2024.

Harwood already owns 29.96% of Frenkel Topping and, if the offer is made, intends to obtain a matched bargain facility for the shares in the bid company.

■ As anticipated, sustainable investments focused fund manager **Impax Asset Management** was hit by a near-one-third decline in assets under management to £25.3bn in the six months to March 2025. Revenues fell by 11% to £76.5m, but some of the fund mandate losses were later in the period. Net cash was £65m at the end of March 2025, so the balance sheet remains strong.

Full year revenues are expected to decline from £170.1m to £141.4m. A much lower 2024-25 profit is likely to lead to a halving of the total dividend from 27.6p/share last year.

■ Fund manager Premier Miton reported assets under management of £10.2bn at the end of March 2025, although that figure has subsequently risen to £10.4bn. There were net outflows of £254m during the six-month period. Underlying pre-tax profit dipped from £5.7m to £5.4m. Annualised cost savings of £3m have been identified. The interim dividend is maintained at 3p/share. Net cash is £31.2m.

■ Finance director Sunil Dhall is leaving **Peel Hunt** after the AGM, and he will be replaced by group head of finance Billy Neve. Sunil Dhall currently owns 2.24 million shares.

Share issue fundraising platform RetailBook has increased its fundraising from £500,000 to £4.5m. The additional share funding is led by Augmentum Fintech. This has reduced the Peel Hunt shareholding to below 50%.

ADVISER CHANGES - MAY 2025

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
Ascent Resources	Shard Capital / Fortified Securities/ Zeus/ Novum	Zeus	Zeus	Zeus	5/22/2025
Benchmark	Strand Hanson	Deutsche Numis	Strand Hanson	Deutshe Numis	5/23/2025

Angling Direct seeks further consolidation opportunities in the UK market

Fishing tackle retailer *www.anglingdirect.co.uk*

Angling Direct is doing well in a consolidating retail market for angling products. The strong balance sheet and buying power is helping the retailer to grow its market share.

Revenues increased from £81.7m to £91.3m in the year to January 2025. There were six new stores in the UK, three of which were acquired, and a store was opened in the Netherlands one year ago. There are currently 53 stores in the UK. Like-for-like growth was 7% in the UK. Own brand sales helped gross margins improve to 36.2%.

The European loss was reduced, and group pre-tax profit was one-quarter higher at £2m. Net cash is £12.1m after capital investment and share buybacks.

Like-for-like growth was 7%

The MyAD club was launched in June 2023 and has 409,000 members in the UK. It is helping to increase customer spending. Three-quarters of UK revenues came through MyAD and customers spend more than if they only go to a store. Data collected through the scheme helps Angling Direct to understand the customer base. MyAD is being launched in Europe.

Angling Direct can use its strong cash position to make more acquisitions. The price expectations of sellers are reducing as they find it difficult to compete as costs

ANGLING DIRECT (ANG)			49.5p
12 MONTH CHANGE %	+25.3	MARKET CAP £M	36.2

increase. There is potential for more than 100 stores if smaller format ones are included. Trading has been strong in the first quarter with a 17% increase in sales. The peak seasonal trading period is just starting.

Share buybacks are continuing. So far £1.5m of the £4m available has been spent. Singer expects a flat pre-tax profit this year as National Insurance costs hold back progress. Investment and share buybacks could reduce cash to £5.5m by next January. In 2026-27, pre-tax profit is forecast to increase to £2.9m. The shares are trading on 23 times prospective earnings, falling to 16 next year.

Currency movements mask progress at itim

Retail software *www.itim.com*

SaaS-based omnichannel retail software provider **itim Group** returned to profit in 2024. There were higher revenues from services and projects. Annualised recurring revenues were flat at £13m, but it would have been higher without adverse currency movements.

The software platform is called UNIFY and it continues to be developed. There was a change in focus towards services to help clients to fully utilise the platform. Capitalised development spending was reduced from £1.95m to £1.66m.

In 2024, revenues improved 11% to £17.9m, while a £1.1m loss was

ITIM (ITIM)			49.25p
12 MONTH CHANGE %	+49.2	MARKET CAP £M	15.5

turned into a £300,000 underlying pre-tax profit, despite higher bonus payments. Net cash doubled to £3.8m.

In the second half, itim won a five-year contract extension with The Entertainer and base subscription rates were 30% higher. There was also a five-year renewal with Majestic Wine. A new multi-million pounds, five-year contract was secured with Brazil's largest wholesaler Assai Atacadista.

There is a strong pipeline of potential business, but the timing of decisions by retailers remains uncertain. Zeus forecasts a further improvement in pre-tax profit to £500,000 this year. Net cash should continue to improve.

The share price has bounced back this year, but there was profit-taking after the results. The prospective multiple is 25. Retailers need to invest in improving efficiency and increasing revenues and itim's software can help to do this. However, the timing is difficult to predict. The company is in a good position to take advantage when this happens, though.

Nexus Infrastructure diversifies into water as housebuilding recovery is delayed

Infrastructure services *www.nexus-infrastucture.com*

NEXUS INFRASTRUCTURE (NEXS)			160p
12 MONTH CHANGE %	+36.2	MARKET CAP £M	14.5

There are signs of improvement in the housebuilding sector and diversification into the water infrastructure sector means that **Nexus Infrastructure** is in a strong position to improve its performance over the next few years.

The Tamdown business provides earthworks, drainage and foundations services for new housebuilding sites. The acquisition of Coleman Construction & Utilities takes the company into the water and rail sectors. Further infrastructure acquisitions are possible if suitable candidates are identified and this will help to increase the scale of the group.

The latest water capital investment period has started, but unusually the spending has continued to be strong following the end of the previous period. Water investment is being doubled over the next five years.

Water investment is doubling

A 10% increase in rail spending is planned over the latest five-year period. However, this spending has been delayed. Coleman is predominantly focused on water, so this is not going to hold back its performance.

Coleman was included for five months of the interim trading period. Revenues increased from £25.8m to £30.5m, with a £2.8m contribution from Coleman. The underlying loss edged down to £1.4m. The interim dividend is maintained at 1p/share.

In early March, finance director Dawn Hillman bought 8,601 shares at 173.5p each. This transaction was before the shares went ex-dividend for the final of 2p/share. That took her shareholding to 40,621 shares.

Net assets were £28.1m at the end of March 2025. Nexus Infrastructure is expected to continue to be loss making in the full year. This reflects delays to the recovery in housebuilding. Net cash should still be £10.7m at the end of September 2025 providing scope to fund acquisitions. The longer-term outlook for housebuilding and water investment is positive.

Lords Group Trading set to bounce back this year

Building products supplier *www.lordsgrouptradingplc.co.uk*

LORDS GROUP TRADING (LORD)			35.5p
12 MONTH CHANGE %	-25.3	MARKET CAP £M	59

Building and plumbing products distributor **Lords Group Trading** had a tough 2024 with a like-for-like decline in merchanting division revenues of 3.6% and a 10.4% fall in plumbing and heating revenues.

The merchanting division supplies building and DIY materials via retail sites and online. The heating and plumbing division also supplies energy efficiency products. Last October, 90% of Ultimate Renewables, which provides design and commissioning services for heat pumps and other renewable energy products, was acquired. This enhances the product range.

In 2024, revenues fell from £62.6m to £436.7m. Underlying pre-tax profit slipped from £10.4m to £3.8m. The total dividend was reduced from 2p/share to 0.84p/share, which is 2.2 times covered by underlying earnings.

First quarter like-for-like growth is 11% in merchanting and 22% in plumbing and heating. That does compare with a weak period of the previous year. Forecasts assume growth in revenues of around 5% to £460m this year. There have also been cost savings.

There has been a £2m gain from property disposals and they will help to cut net debt from £32.4m to £16.5m by the end of 2025. Including the gain, pre-tax profit could recover to £6.7m. The dividend may rise to 1.1p/share with a higher dividend cover of 2.6 times.

Following the results, non-executive director Sheena Mackay bought an initial 64,695 shares at 30.9p each. The share price has been on an upward trajectory since reaching an all-time low in early April. The shares trade on 12 times prospective 2025 earnings, falling to eleven next year. The outcome could be better with a stronger economic recovery.

Xeros Technology on brink of generating significant income from licence deals

Laundry technology *www.xerostech.com*

XEROS TECHNOLOGY (XSG)			1.825p
12 MONTH CHANGE %	+ 37.7	MARKET CAP £M	9.5

Laundry and textile finishing technology developer **Xeros Technology** is making progress with deals to start to generate income for the technology that it has developed to reduce pollution. More than one-third of microplastics in the ocean are from washing machines. The 2024 loss was similar to the previous year at £4.67m. Revenues remain low but that should start to change this year.

Xeros Technology has developed ways of reducing the level of microplastics in water and cutting water consumption after cleaning of fabrics. Its filters capture 99% of microfibres and this significantly reduces the environmental impact. There are three core technologies covering microfibre filtration, laundry care and garment finishing. Reusable polymer spheres called XOrbs improve wash performance and protect clothing from fabric on fabric contact. Less energy and detergent are required.

Costs have been reduced

In the domestic appliance market, India-based IFB has a licence and is set to launch a new washing machine later this year. A potential European washing machine manufacturing client has paid for verification. Four of the world's top ten manufacturers are also interested in licencing the technology.

A microfibre filtration device that can be retrospectively attached to any washing machine has been developed and Russell Hobbs is launching it in the UK in the autumn.

France-based Georges is selling machines using Xeros technology and Marriott Heathrow is using one of them for its bedding and linen. Garment manufacturing client Yilmak will be using XOrbs for denim processing later this year.

Cash preservation remains important, and the cost base has been reduced. Net cash was £2.8m at the end of 2024. The expected cash outflow for 2025 is £2m. That would leave Xeros Technology with £800,000 by the end of this year, so there is no medium-term requirement for any share issue.

Calnex Solutions returns to profit

Telecoms testing equipment *www.calnexsol.com*

CALNEX SOLUTIONS (CLX)			55p
12 MONTH CHANGE %	+6.8	MARKET CAP £M	48.3

There was a small recovery in revenues last year and this enabled **Calnex Solutions** to move back into profit. The telecoms and network test instrumentation developer is developing markets outside of the core telecoms sector, which remains tough. The order book has increased with modest signs of improvement in the telecoms market.

In the year to March 2025, revenues improved from £16.3m to £18.4m, which is still barely two-thirds of the figure two years ago. The loss of £400,000 was turned into an underlying pre-tax profit of £700,000. The total dividend is unchanged at 0.93p/share.

Two-fifths of revenues were still generated through distributor Spirent, which has been taken over. The new network of partners is becoming a more important generator of income, though. Cloud computing generated 43% of orders last year. New product development is helping to move into other markets, including defence and satellite.

For the year to March 2026, Cavendish forecasts a further recovery in revenues to £20.3m. A higher depreciation and amortisation charge means that pre-tax profit is expected to edge up to £700,000. Operating margins would still be little more than one-tenth of the level three years ago. With a gross margin that remains around 75%, additional revenues will give a major boost to profit. Net cash could rise to £12.6m by the end of March 2026, helped by a working capital inflow. There continues to be uncertainty, but Calnex Solutions is in a good position to improve profit when the telecoms market rebounds.

Professional services provider MHA promises quarterly dividends

Accountancy services *www.mha.co.uk*

Dividend

Accountant MHA joined AIM on 15 April, so it has not had time to pay a dividend. However, it has already indicated that it will be a dividend payer, although it will not be paying a dividend for the year to March 2025. In this financial year it intends to pay quarterly dividends.

Cavendish expects MHA to pay out 50% of underlying earnings. The first three payments will each be 20% of the total and the final dividend will be the remaining 40%.

A 2025-26 dividend of 5.1p/share is forecast, rising to 5.5p/share next year. MHA is a highly cash generative business. Net cash of £14.5m is forecast for March 2026, rising to £25.6m at the end of March 2027. That is before any acquisitions.

Business

MHA is one of the fastest growing accountancy firms in the UK and it is in the top 15 by revenues. It is a member of the Baker Tilly network, which is the tenth largest international accountancy network. The firm that was a former member of the network retains the rights to the Baker Tilly name in the UK.

Within one month of joining AIM, MHA announced plans for its first acquisition. It intends to buy Baker Tilly South East Europe Holdings for up to €24m. This is likely to be €6.5m in cash and €17.5m in shares at 100p each.

The acquisition target has operations in Cyprus, Greece and other parts of south east Europe. It is the fifth largest accountancy firm in Cyprus. In 2024, total revenues were €19.4m and pre-tax profit was €2.5m. This deal should be earnings enhancing in the first full year after acquisition. Due diligence is being completed.

MHA (MHA)	
Price (p)	106
Market cap £m	287.5
Historical yield	N/A
Prospective yield	4.8%

MHA offers a range of professional services, including audit, accounting, tax consultancy, corporate finance, restructuring and wealth management. More than four-fifths of revenues come from private businesses.

Part of the growth strategy is to cross-sell different services to existing clients, as well as adding new services to the business. Larger clients are being taken on. The average fee income generated from each of the top 200 clients has more than doubled over five years. The figure has more than trebled for the top 20 clients.

MHA previously operated on a partnership model. Revenues for the year to March 2025 were recently upgraded from £216m to £224m. The profit was distributed to partners up until becoming quoted. This year the figures will be based on a corporate model, where they will have salaries and bonuses, so the equivalent 2024-25 pre-tax profit is £36.3m.

Cavendish forecasts pre-tax profit of £37.8m on revenues of £240m for 2025-26, rising to £40.9m in the year to March 2027. This does not include the proposed acquisition.

The placing and retail offer raised £98m at 100p/share. The share price reached 109.5p before falling back to 106p. The shares are trading on less than eleven times prospective earnings.

Dividend news

Pawnbroker **Ramsdens** increased the interim dividend by one-quarter to 4.5p/share and there is also a special dividend of 0.5p/share. The high gold price is boosting profitability and offsetting higher wage costs. In the six months to March 2025, revenues grew 18% to £51.6m with precious metals sales 31% ahead. Retail jewellery sales were 18% higher. Underlying pre-tax profit jumped from £4m to £6.13m. Net cash was £7.4m at the end of March 2025. Panmure Gordon raised its 2024-25 pre-tax profit forecast by 17% to £15.4m. Three stores will be opened in the second half. The full year dividend is expected to be 14p/share, including the special dividend.

Lloyd's of London syndicates investor **Helios Underwriting** is paying a maintained dividend of 6p/share, plus a special dividend of 4p/share for 2024. The accounting framework has been changed from an insurance business to an investment entity. This delayed publication of the 2024 results. Net assets increased 11% to 243p/share. There is £40m of underwriting profit expected to be received in 2026 from the 2023 year. Helios Underwriting plans to have annual tender offers for shares at close to NAV. This year it will tender for up to £7.1m worth of shares.

The latest interims from **Renew Holdings** are the first that do not include the construction business. Restated figures show a 13% increase in revenues from the ongoing engineering services business to £569.3m. Pre-tax profit edged up from £29.5m to £31m. Management reiterated that overall spending plans for rail have not changed and there should be greater clarity of timing of spending when the full year results are published. The interim dividend was raised 5% to 6.7p/share and the total dividend for the year is expected to rise by a similar percentage to 20p/share, which is more than three times covered by forecast earnings.

Expert view: Registrars

With IPOs resurfacing, how can prospective issuers best position themselves for success?

By Jai Baker

It has been a rather dark couple of years for new issuance in the London equity market, but perhaps as we head towards the mid point of 2025, some green shoots of recovery are starting to emerge. It's still only small steps for now, but the regulatory filings noting "Intention to Float" are being seen with a little more frequency and that's despite many commentators either calling time on the London market or – perhaps more accurately – concluding that many companies will need to stay private for longer.

So, let's hope for a moment that the activity of recent months as the market digs its way out of hibernation is the start of something bigger. The question now must surely be how the issuer can convince the investor that these transactions might actually deliver better outcomes than many of the post-COVID cohort managed.

Many of these stocks lost as much as 50% of their valuation in the first year, reportedly leaving investors feeling burnt, with overly ambitious valuations combined with soaring interest rates creating a perfect storm.

Whilst there's nothing that can be done to mitigate the risk of macroeconomic influences, issuers looking not only for a successful IPO but also a longer-term positive outcome would be well advised to ensure valuations are realistic.

> Issuers seeking a successful IPO and a longer-term positive outcome would be well advised to ensure valuations are realistic

Interest rates, whilst off their peak, remain attractive and investors will be expected to be pouring over a company's prospects with the proverbial fine-toothed comb. But even more importantly is the fact that issuers have a responsibility to their securities holders to keep a laser-like focus on the cost of maintaining a public market listing.

Cost

Much has been said about the cost of remaining on a public exchange in London. Indeed, this concern has been behind a flurry of delistings or migrations onto private market venues in the last few months, with directors feeling unable to justify the ever-escalating expense and reporting burden that comes with the listing.

At the outset, a thoroughly comprehensive cost-benefit analysis should be undertaken that assesses the requirements of the issuer not only today, but also in the medium term.

Is the venue they are looking to list on actually the best fit? Then when it comes to the advisers, ensure that exceptional value for money sits at the heart of everything they do – and that they can adapt to meet the company's needs as it evolves.

The one point that stands out time and again for the team at Avenir Registrars is how the decision to appoint many of these key facilitators – including a securities registrar – can be left quite literally to the 11th hour.

The requirements for completing the listing process are all well documented so there's no excuse for having to rush any decision but showing creativity and control at every point of the journey can only help endear investors to your proposition.

Avenir's proposition

The mantra that one size doesn't fit all is a well-hackneyed one and something that we have at the very heart of the Avenir Registrars proposition.

Because we work with issuers of all sizes, we know and understand the benefit of having tailored solutions that meet a company's requirements without being over-engineered, whilst also being able to quickly accommodate the important phases of growth as they emerge.

If you're an issuer considering a public market offer, a founder who wants to better structure a cap table solution to accommodate a potential IPO in the future or an adviser who is working with market participants on their listing journey, talk to us to find out more about the role we can play in helping you deliver the very best value to shareholders.

It seems unlikely that the recovery in market listings will be swift, but collectively we can work to make it an enduring one.

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

AIM at 30: Past and future

AIM has performed disappointingly in the past few years, but there have been many successes. Company numbers continue to decline, and more cash needs to be attracted to smaller companies so they can be enticed to the public markets.

Losing part of the IHT relief benefits has not helped AIM and there are still fears that there could be bad news about tax changes from the government. That should not mask the value that has been created on AIM. There have been many successes. Some are still on AIM and others have moved to the Main Market and have been successes on that market.

Ticketing technology provider accesso Technology is the best AIM performer over the past two decades with a gain of 13,900%. The second best is Judges Scientific with a 7,490% gain.

> Ticketing technology provider accesso Technology is the best AIM performer over the past two decades with a gain of 13,900%

There are some good dividend payers on AIM and 38 current companies have paid more in dividends than their initial placing or introduction price adjusted for share consolidations and splits. That does not include companies that moved from the Main Market to AIM, but some of them have paid more in dividends than the share price on transfer.

Some of these companies have been quoted for nearly three decades, but others achieved the milestone more quickly. Judges Scientific has distributed dividends equivalent to 832.2% of its initial share price. That is over two decades.

Mortgage Advice Bureau joined AIM in November 2014 and by November 2022 it had paid more in dividends than the placing price. Fevertree Drinks floated in the same month, and the placing price was surpassed by dividends in June 2023.

FTSE 100

Melrose Industries, online gaming provider Entain (formerly GVC), property and casualty insurance provider Hiscox and student accommodation developer Unite Group are all former AIM companies that are constituents of the FTSE 100 index. Hiscox has risen 715% over 25 years and Unite is 385% higher.

Engineering company Melrose Industries has not been around for 25 years, but over 20 years the shares have risen by 721%, and that is after demerging Dowlais, which is currently the subject of a bid, and significant dividend payments. This is the sixteenth best performer of the current constituents of the FTSE 100 over 20 years.

Melrose is the largest of the four companies with a market capitalisation of more than £6bn. The other three are each worth more than £4bn.

FTSE 250

There are 20 former AIM companies that are constituents of the FTSE 250 index or just about to be. The largest of these is online contracts for difference provider Plus500, which has a market capitalisation of nearly £2.5bn. Self-storage sites operator Big Yellow Group moved to the Main Market on 7 June 2002, having been on AIM for two years, and it is capitalised at nearly £2bn.

Financial services provider Alpha Group International is the most recent company to move from AIM that is in the FTSE 250. It made the switch in May 2024. It is the subject of a potential bd.

Unified Communications as a Service provider Gamma Communications has just moved from AIM, and it is valued at £1.1bn. It will move into the FTSE 250 when the quarterly changes are made on 23 June.

However, Urban Logistics REIT is recommending a cash and shares offer from LondonMetric Property that is worth £699m. This means that it will be leaving the index in the coming weeks.

Workwear and linen services provider Johson Service Group intends to return to the Main Market in early August, and it would have a good chance of inclusion in the September changes.

North Sea oil and gas producer Serica Energy is also going through the process of switching to the Main Market and it is not much smaller than Johnson Service Group. Subsea technology services provider Ashtead Technology could also follow.

Online fashion retailer ASOS is one of the smaller companies by market capitalisation that is in the FTSE 250, so it is possible that it could fall out if any of these companies come into the index.

There has been an increase in the pace of larger AIM companies moving to the Main Market. The companies believe that they will be able to access a larger pool of capital after the move.

AIM companies' relatively low ratings are indicated by the level of takeover activity, particularly by private equity buyers. That is further reducing AIM company numbers.

This means that some of the best and most cash generative companies are leaving AIM. Five of the top 20 AIM companies by market capitalisation at the end of 2022 have been taken over and GlobalData could be the next.

Replacement

The problem is that these companies are not being replaced in anywhere near the same numbers. AIM needs a steady supply of new admissions to replenish the numbers and provide additional interest for investors.

The disappointment of the new admissions in 2021 has made investors wary. The problem was that this was at a market peak, so valuations were unrealistic. Many were early stage and there was a fashion for investment in renewables businesses, which were relatively early stage. They found it difficult to raise more funds because of disappointments. Some are leaving AIM in order to save money.

Brokers' have suggested that there are companies keen to join AIM, but this has been said for some time and few have floated. Even when companies try to float, they can find it difficult to raise cash at a price they believe is fair.

A major factor in improving the performance of AIM and attracting new companies is increasing the interest of investors, particularly institutions, in putting money into them.

There is a lot of talk about allocating institutional investment funds to smaller companies, including those on AIM. Actions have been thin on the ground, though.

The Mansion House Accord, signed by seventeen major pension fund managers, is a voluntary initiative that states the intention of the firms to invest at least 10% of their defined contribution funds of £252bn in private markets by 2030, with 5% allocated to the UK. It is unclear how much is already invested in the category.

This covers AIM, because it is included in that wider category of private unlisted equities. The QCA points out that while the Mansion House Compact from two years ago planned to unlock £50bn of capital, so far only £793m has been allocated to unlisted shares. Not much of this has found its way to AIM companies.

The London Stock Exchange has published a discussion paper called Shaping the future of AIM. This states its belief that AIM is critical to the funding of smaller companies. The paper is designed to generate a debate, and feedback is requested by 16 June.

Questions include whether other markets have features that could enhance AIM and about the AIM brand itself.

It also covers potential development of AIM rules. This includes requirements for admission documents and working capital statements. Requirements for reverse takeovers are also covered. For example, whether shareholder approval should be required for significant acquisitions that do not change the business.

New admissions with dual class share structures are likely to be allowed. This will follow the Main Market changes and is intended to attract new, growing businesses.

While any of the proposed changes in the document could help to reduce the regulatory burden and costs of the AIM quotation the fundamental problem is the lack of funds going into smaller companies. There have been large outflows in recent years and this needs to be reversed.

FORMER AIM COMPANIES IN FTSE 250

COMPANY	SECTOR	VALUE (£M)
Alpha Group Interntional	Financial services	1,318
ASOS	Retailer	374
Atalaya Mining	Mining	636
Breedon	Building materials	1,549
Big Yellow Group	Self-storage	1,927
Diversified Energy Company	Oil and gas	609
Domino's Pizza	Pizza stores	1,012
Gamma Communications*	Telecoms services	1,105
Genus	Animal genetics	1,306
Molten Ventures	Venture capital	540
IP Group	Investment company	423
Lancashire Holdings	Reinsurance products	1,431
NCC Group	Cyber security	488
Primary Health Properties	Healthcare properties	1,323
Plus500	Contracts for difference	2,459
PPHE Hotel	Hotels	633
Playtech	Online gaming software	945
Urban Logistics REIT	Logistics properties	736
Sirius Real Estate	Property	1,460
VinaCapital Vietnam Opportunity Fund	Investment company	576

* Joining on 23 June.

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Industrials	23.2	18.8
Consumer	21.1	15.8
Technology	9.9	12.9
Health Care	11.2	11.1
Financials	10.6	10.3
Basic materials	12	16.2
Energy	5.7	10.8
Telecoms	2.9	1.8
Property	1.7	1.8
Utilities	1.5	0.6

KEY AIM STATISTICS

Total number of AIM	658
Number of nominated advisers	23
Number of market makers	20
Total market cap for all AIM	£63.6bn
Total of new money raised	£136.8bn
Total raised by new issues	£48.6bn
Total raised by secondary issues	£88.1bn
Share turnover value (Apr 2025)	£15.1bn
Number of bargains (Apr 2025)	3.6m
Shares traded (Apr 2025)	532m
Transfers to the official list	210

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	746.68	-7.34
FTSE AIM 50	4120.88	-5.51
FTSE AIM 100	3615.7	-7.47
FTSE Fledgling	12298.9	+3.38
FTSE Small Cap	6943.23	+2.35
FTSE All-Share	4759.54	+5.37
FTSE 100	8772.38	+6.01

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	134
£5m-£10m	87
£10m-£25m	120
£25m-£50m	69
£50m-£100m	92
£100m-£250m	79
£250m+	71

TOP 5 RISERS OVER 30 DAYS

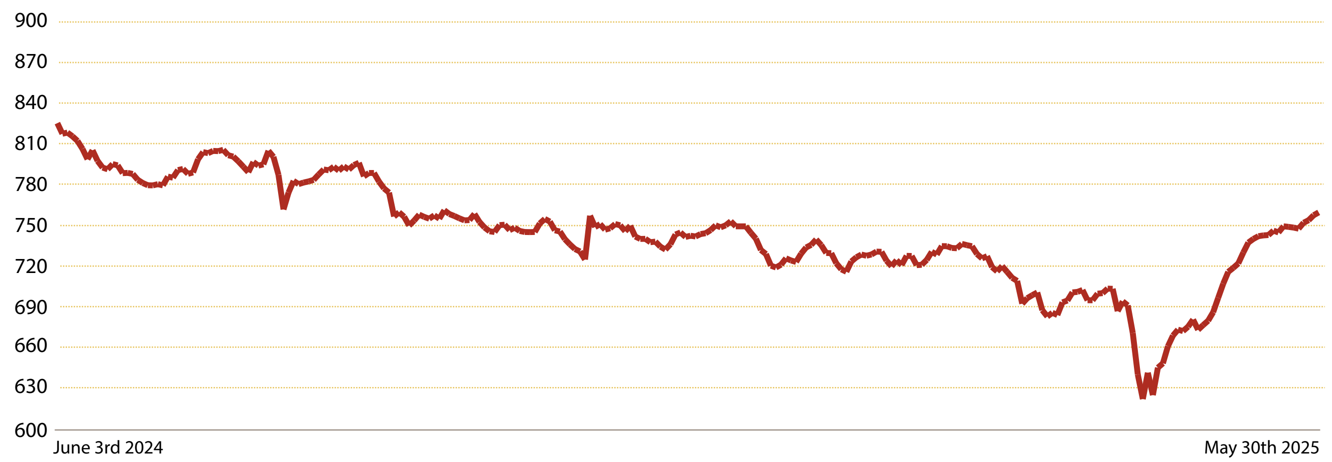
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Trakm8	Technology	8.75	+250
Surface Transforms	Automotive	1.03	+171
Blue Star Capital	Financials	10.5	+121
Symphony Environmental Technologies	Cleantech	7	+115
James Cropper	Packaging	280	+111

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Mirriad Advertising	Media	0.0115	-96.6
Argentex	Financials	2.5	-94.2
Totally	Healthcare	0.275	-93.2
Empyrean Energy	Oil and gas	0.021	-76
hVIVO	Healthcare	8.7	-54.5

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 31st May 2025, and we cannot accept responsibility for their accuracy.

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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