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THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM JOURNAL

New companies, continued decline

AIM has had another up and down month, ending with a 2% reduction over February. That contrasts with a 1.6% gain for the FTSE 100 index. More than two-thirds of the companies in the FTSE AIM 100 index, which makes up a significant proportion of the market capitalisation of AIM, suffered share price declines during February.

There are companies wanting to join AIM. They include accountancy firm MHA, ASX-listed Wellnex Life and Aquis-quoted company One Health which are covered on page 2. Also, fully listed cash shell ALT Resources, which was originally known as ACP Energy, is planning to move to AIM when it acquires a cash generative mining royalty in a South African gold project from ASX-listed Theta Gold Mines. The intention is to build up a portfolio of mining royalty interests for critical and precious metals.

However, there are still companies choosing to leave. The latest is online building materials retailer CMO Group, which reviewed its strategic options and decided that it could not source the finance it requires while it is quoted. Leaving AIM should save £700,000/year. CMO joined AIM at the height of the Covid-related boom in DIY and its results have declined since then. CMO raised £45m at 132p/share when it joined AIM in July 2021 and following the latest announcement the share price has fallen more than 99% from that price.

Science buys Ricardo stake

Science and technology consultancy Science Group has acquired an 8.46% stake in fully listed environmental and engineering consultancy Ricardo. The weak Ricardo share price attracted the attention of Science Group, which intends to talk to the Ricardo board about what it calls a strategic investment.

The purchases were between 16 and 27 February and cost £12.2m, which is an average of roughly 231p/share. On 17 February the Ricardo share price was 213p and it rose to 235p by 27 February. It fell to 223.5p on the next day when the stake was revealed. The share price has fallen 46.8% during 2025. At the end of January, Ricardo warned that delayed orders will mean that forecasts would not be met.

Science Group has a higher market capitalisation than Ricardo. According to Panmure Liberum, Ricardo has operating margins of 8.2%, while Science Group's consultancy operating margins are around 25%. At least part of that difference is likely to be due to the differing client bases, but Science Group may believe it could help Ricardo to improve its margins. At the end of 2024, Science Group had net cash of £26.8m.

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One Health switching

Aquis Stock Exchange-quoted outsourced healthcare procedures provider One Health Group plans to move to AIM. As part of the process, it raised £7.4m from a placing at 180p/share and a further £200,000 through a retail offer. Existing shareholders have the chance to take up shares in a one-for-38 open offer of up to £500,000. The AIM switch is expected to happen on 20 March.

Sheffield-based One Health's specialities are orthopaedics, spinal surgery, general surgery and gynaecology. These services are provided to the NHS and they help to make a contribution to reducing waiting lists. One Health has five-year contracts with some NHS commissioners. The company currently rents theatre space from independent hospitals to carry out surgeries. The surgeons are generally employed by the NHS and One Health offers them additional income on their time off.

The cash will be invested in the first owned surgical hub. This will cost up to £9m and it could generate £9m of income each year. It should be earnings enhancing in the first full year of operation.

The employee benefit trust (EBT), the chairman Derek Bickerstaff and chief medical officer Shantanu Shahane are selling £2.2m worth of shares. The EBT will repay a £750,000 loan to the company.

One Health joined Aquis on 24 November 2022 at 150p/share. In the year to March 2024, revenues rose 14% to £23.3m and there was cash of £4.7m. The total dividend was 4.07p/share, which was covered 2.5 times by earnings. In the six months to September 2024, revenues were 22% higher at £13.3m and cash had edged up to £4.89m.

MHA ponders flotation

Accountancy firm MHA, the UK affiliate of Baker Tilly International, is considering a flotation on AIM at a valuation of around £300m. There is speculation that up to £125m could be raised, mostly by existing shareholders, but the company could raise up to £50m. Cavendish has been hired as adviser on the potential quotation. The core business of MHA is MacIntyre Hudson LLP. In the year to March 2024, net revenues improved from £102.7m to £141.9m. During the year it acquired Watts Gregory, Meston Reid and Geoghegans. At the beginning of the latest financial year MacIntyre Hudson merged with Moore and Smalley LLP. There are also a group of other professional services businesses included in MHA.

Wellnex Life expands internationally

ASX-listed consumer healthcare company Wellnex Life Ltd is planning to obtain an additional quotation on AIM. It currently has a market capitalisation of around A$20m. The company was originally a dairy products business but subsequently moved into consumer healthcare. It has built up revenues in Australia and there is potential to grow internationally.

Wellnex Life has an agreement with Haleon to supply paracetamol products that are sold under the Panadol brand. This deal has been expanded outside of Australia and includes the UK and the UAE. There could be further product and geographical extensions.

Wellnex Life also has its own brand Pain Away, the second largest provider of topical pain relief products in Australia, which was acquired in 2023. Other brands it owns are sleep aid Nighty Night and caffeine effervescence tablets Wakey Wakey. There are partnerships with Australian firms covering painkillers and medicinal cannabis products.

The company has products available in most major supermarkets and pharmacies in Australia. The Haleon deal will help it to enter other markets. A distributor is being appointed for the UK and other European markets to sell the company's own brands.

The company is currently loss-making, but nominated adviser and broker SP Angel expects it to move into profit in 2025-26. A pre-tax profit of A$3.1m is forecast.

Revenues are forecast to nearly double from A$16.9m to A$30.2m in the year to June 2025 and then increase to A$41.9m in 2025-26. Pain Away could generate revenues of $15m in 2024-25 and has potential to reach A$40m on its own by 2030-31, according to SP Angel.

Net cash of A$2.9m is forecast for the end of June 2025. Higher working capital requirements mean that cash is not likely to increase by June 2026, but it should build up after that.

Oberon raises cash to grow broking business

Broker and investment manager Oberon Investments Group has raised £2.5m in an oversubscribed placing at 4.5p/share. The cash will be used to accelerate growth, particularly in the broking business, which is expected to increase revenues by more than 50% in the current year. Mergers among larger broker provide potential to add to clients. There are also opportunities to employ teams of investment and wealth managers.

The Oberon AIM VCT is trying to raise a further £5m, plus an over-allotment facility of £3.4m. Oberon Investments gets a fee based on the amount subscribed.

■ **Amati AIM VCT** is changing its investment manager to Maven Capital Partners and broadening its investment strategy so that there is a greater proportion of unquoted UK companies, as well as continuing to invest in AIM and Aquis shares. Heads of terms have been announced which mean that there will be no change in the annual management fee of 1.75% and annual running costs, excluding incentive fees, will be capped at 3.5%. In order to offset the costs of terminating Amati as investment manager, Maven Capital waive it management fee for two years. It will receive an incentive fee of 15% of the realised capital gains on unquoted investments.

■ **Canaccord Genuity** reported third quarter revenues 16% ahead at $451m, while pre-exceptional profit rose 24% to $116.9m. Capital markets revenues were 11% higher at $210.7m. During the period, the capital markets division acquired investment bank Carbon Reduction Capital.

There was a significant increase in the activities of the Canadian, US and Australian investment banking operations. In contrast, there was a slump in advisory fees from the UK and Europe. Third quarter net income before taxes of the capital markets division was $14.8m, which was 11% lower than one year before.

■ Broker **Fiske** published interim results showing higher revenues and profit despite rising operating costs relating to compliance work. Both commissions and investment management fees improved. Revenues increased 12% to £3.89m, while pre-tax profit rose from £429,000 to £879,000. Assets under administration rose by 0.5% to £882m.

There was £5.9m in the bank at the end of 2024, plus a stake in Euroclear that generated £472,000 in dividends. Fiske has increased its dividend by 10% to 0.275p/share. Net assets were £10.5m at the end of 2024, with around 50% of that accounted for by the Euroclear stake.

■ The Quoted Companies Alliance (QCA) is holding its annual conference on 5 June in London (www.theqca.com/qca-annual-conference-2025/). The focus is Funding our Future: Building Brilliant Companies on the UK's Public Markets and there will be a session on the thirtieth anniversary of AIM that will unveil findings of the QCA AIM commission.

■ **Peel Hunt** retail share offerings associate RetailBook has hired the former capital markets team of PrimaryBid. This includes James Deal, the co-founder of PrimaryBid, who will become co-chief executive of RetailBook, alongside Aaqib Mirza. Other backers of RetailBook include Jefferies, Rothschild and Hargreaves Lansdown.

ADVISER CHANGES - FEBRUARY 2025

COMPANY	NEW BROKER	OLD BROKER	NEW NOMAD	OLD NOMAD	DATE
Coral Products	Cairn	Cavendish	Cairn	Cavendish	2/3/2025
Nichols	Berenberg / Singer	Singer	Singer	Singer	2/3/2025
Ondine Biomedical Inc	RBC Capital	Singer / RBC Capital	Strand Hanson	Singer	2/3/2025
Avacta	Panmure Liberum / Peel Hunt	Peel Hunt	Peel Hunt	Peel Hunt	2/4/2025
LungLife AI	Allenby / Goodbody	Investec / Goodbody	Allenby	Investec	2/10/2025
Faron Pharma	Cairn	Peel Hunt	Cairn	Cairn	2/11/2025
Sound Energy	Zeus	Zeus	Zeus	Cavendish	2/17/2025
Rockfire Resources	CMC / Allenby	Allenby	Allenby	Allenby	2/27/2025

Avingtrans reaching key point in commercialising medical imaging technology

Engineer *www.avingtrans.plc.uk*

Avingtrans continues to invest in its medical imaging business and that is holding back the short-term profit of the group. The more substantial benefits of this investment should start to show through later in the next financial year. The advanced engineering division is improving profit to help offset the continuing medical division loss.

In the six months to November 2024, revenues improved from £65.2m to £79m, while underlying pre-tax profit edged up from £3.9m to £4m. The interim dividend has been raised from 1.8p/share to 1.9p/share.

The main growth in the engineering division was in the original equipment business, but aftermarket income also grew. The core markets, such as nuclear, datacentres, defence and oil and gas, are doing well. The Ormandy heating, ventilation and air conditioning business has been turned around and is a possible disposal candidate. It does not appear to be a good time to sell, so this is unlikely to happen in the short-term.

FDA approval is key

There were initial sales of Adaptix products that helped the medical division to improve revenues from £1.5m to £2.2m. Gaining FDA approval for the medical imaging product is the key to future profitability. Management believes that this approval can be obtained by the second half of this year, even though there have been indications of potential delays in operations at the FDA. Distributors are being appointed, and production is scaling up at the new premisses.

AVINGTRANS (AVG)			362.5p
12 MONTH CHANGE %	-5.8	MARKET CAP £M	120

Expected full year revenues of £161m are broadly covered by orders and pre-tax profit is forecast to decline from £7.3m to £6.6m. As the loss from the medical division reduces the pre-tax profit could rebound to £10.7m in 2025-26. The current share price does not take account of the potential for the medical imaging technology.

Dotdigital broadening product range

Digital marketing *www.dotdigitalgroup.com*

Integrating recent acquisition Fresh Relevance and adding new products is helping marketing automation services provider **Dotdigital** to grow organically. The cash pile will enable more acquisitions, but they are not required for further improvement.

In the six months to December 2024, revenues were 10% higher at £42.4m. Organic growth was 9%. Recurring and repeat revenues were 95% of the total. Contract recurring revenues were 80%. Pre-tax profit rose 12% to £10m.

New client wins in North American meant revenues rose by one-fifth, but management points out that it is unlikely to maintain that rate of growth, although it should continue to be in double figure percentage points. Asia Pacific is also growing strongly and there is increased investment in the Japanese market.

DOTDIGITAL (DOTD)			76.5p
12 MONTH CHANGE %	-20.8	MARKET CAP £M	234.7

Average revenues per customer, which is based on billing in December, increased 12% to £1,916/month. Dotdigital is winning larger clients, and the loss of smaller clients is slowing. The launch of a new WhatApp service will help growth to continue. This is expected to add to revenues rather than take away SMS income.

Net cash is £45.7m or 15p/share. This is set to continue to rise and could reach £67m at the end of June 2027. Acquisitions would enhance earnings.

Canaccord Genuity forecasts a full year improvement in pre-tax profit from £16.8m to £18m. The shares are trading on 17 times forecast earnings and the share price has not made any underlying progress over the past year or more. The high recurring revenues warrant a high rating.

Tristel grows internationally ahead of important FDA approval decision in the US

Decontamination products *www.tristel.com*

TRISTEL (TSTL)			352.5p
12 MONTH CHANGE %	-26.6	MARKET CAP £M	168.2

Decontamination products supplier **Tristel** is growing internationally, and the US is set to become a more important market once FDA approval is gained for Tristel OPH, a disinfectant foam used on ophthalmic devices. Management believes that could happen in the summer, so it will not make any contribution to the full year.

The 510(k) submission to the FDA was made for Tristel OPH last September. Tristel ULT is already on sale in the US through Parker Laboratories, which manufactures the product. Parker will also manufacture Tristel OPH, but the distribution plans are different with direct sales and regional distributors the likely strategy.

FDA approval is expected this summer

The royalty income for the initial product in the US is slow in building up. The ultrasound devices disinfectant generated £37,000 in the first half. Panmure Liberum had forecast £300,000 for the period. It can take a longer than anticipated for healthcare products to build revenues in the US, so there is caution about the potential medium-term contribution from the new product.

In the six months to December 2024, revenues were 8% higher at £22.6m, while underlying pe-tax profit was 19% ahead at £4.9m. The interim dividend was raised 8% to 5.68p/share. Net cash is £11.7m.

Growth in the sales of Cache disinfectant products is lagging expectations. They were 4% ahead in the first half and management is adapting its strategy to try to accelerate that growth rate.

While The US will not make a significant contribution this year, sales in other markets are likely to continue their momentum. Panmure Liberum forecasts an improvement in full year pre-tax profit from £8.2m to £9.8m. The shares are trading on 22 times this year's forecast earnings, falling to less than 20 next year.

Feedback awaits NHS decisions

Digital medical imaging *www.fbkmed.com*

FEEDBACK (FDBK)			17.75p
12 MONTH CHANGE %	-78.7	MARKET CAP £M	7.8

Feedback remains dependent on the speed of decision making by the NHS and it is difficult to assess when it will receive orders for its Bleepa imaging communications technology. There should be a better indication of demand by the end of March when the NHS Long Term Plan is published.

There are already discussions with different parts of the NHS that want to use Bleepa to increase efficiency and help to reduce waiting lists. That suggests that once the plan is published there could be potential contracts in the short-term. However, the NHS does not have a reputation for making fast decisions.

In the six months to November, revenues edged up 3% to £449,000 with 90% coming from Bleepa. The loss fell from £2.09m to £1.95m. Since then, a pilot deal has been signed in India, but the initial contribution will be small.

The November placing and offer that raised £6.1m at 20p/share tanked the share price and it has not recovered. The good thing is that Feedback has enough cash to wait for the NHS to make decisions. Net cash was £7.3m at the end of November 2024 and Panmure Liberum forecasts this will decline to £5.4m by May 2025.

The broker believes that revenues will grow, and the loss will reduce. Based on its forecasts there should still be net cash of £1.5m at the end of May 2027. That does assume that revenues reach £14m in 2026-27. Investors are not going to be confident in the forecast until there are firmer signs of contracts being won.

Wynnstay launches Project Genesis to transform long-term prospects

Agricultural products *www.wynnstayplc.co.uk*

Agricultural products supplier **Wynnstay** has a new chief executive and a few weeks into his role Alk Brand is already formulating plans to improve efficiency and sales via Project Genesis. This is a three-year programme.

Closer relationships with farmers and improvements in distribution will help to boost sales, while further gains in market share can be achieved through geographic expansion. There are opportunities to consolidate the feed market via acquisition.

The Twyford poultry feed factory is being closed earlier than originally planned and there will be a move to smaller production centres. A new fertiliser blending site in Bristol is opening in the spring.

Project Genesis is for a 3 year period

There was a small dip in gross profit, a better representation of progress than revenues, for the year to October 2024, but higher energy and labour costs meant pre-tax profit reduced from £10.3m to £7.6m. Net cash is £17.2m. The sale of the mothballed site at Calne should happen this year.

For the first time, the business has been split into three divisions: feed and grain, fertiliser and seed and depot merchanting. There was a sharp dip in profit in the feed and grain division with manufactured

WYNNSTAY (WYN)			322.5p
12 MONTH CHANGE %	-16.8	MARKET CAP £M	74.3

feed volumes falling 2.7%. Grain trading volumes fell due to the poor harvest. The improvement in the fertiliser business was not as great as expected. Depot merchanting made a much higher contribution.

Higher prices for milk and other agricultural products provide a more favourable background for this year. Even after a £600,000 National Insurance cost increase, pre-tax profit is expected to recover to £8.5m in 2024-25. The shares are trading on 12 times forecast earnings and the multiple could fall to nearer ten next year. The forecast yield is 5.5%.

CVS expands in Australia ahead of CMA news

Veterinary practices *www.cvsukltd.co.uk*

CVS Group continues to acquire Australian vet practices as it awaits further clarity on the UK market when the Competition and Markets Authority (CMA) investigation completes later this year.

The Australian vet practices market is not as consolidated as the UK one. Two consolidators have 15% of the Australian market. That leaves plenty of room for CVS Group to make further acquisitions in the main urban areas of Australia. The latest purchase is six vet practices in Melbourne

In the six months to December 2024, revenues were 7% ahead at £341.8m, but that masks a 1%

CVS GROUP (CVSG)			1020p
12 MONTH CHANGE %	-31.2	MARKET CAP £M	731.7

like-for-like decline. Growth has come from acquisitions in Australia. Pre-tax profit dipped from £45.3m to £39.2m. That is before £1.1m of CMA-related charges and restructuring costs of £400,000. The dividend was raised from 7.5p/share to 8p/share. Net debt has increased from £129.2m to £182.9m due to acquisitions spending and it will be higher at year-end.

The laboratories business lost a contract one year ago and that has affected the like-for-like growth, while the online retail business Animed Direct has also been a laggard. The website was not straightforward to use, and a redesigned version was launched in February. This should provide a better shopping experience for the pet owner and there is a wider range of products on offer.

The core UK vet practices are likely to find trading to continue to be tough over the coming months. There could still be an improvement in full year pre-tax profit to £85m. That would put the shares on less than 12 times forecast earnings.

Tough times for Nexteq but dividend still rises

Gaming technology *www.nexteqplc.com*

Dividend

Gaming machines technology developer Nexteq has consistently paid a dividend each year since 2013, except in 2020 because of the uncertainty due to Covid. The dividend rose from 1p/share for 2013 to 3.1p/share for 2019. The dividend resumed at 2p/share and reached 3.3p/share for 2023.

A further increase in the next dividend to 3.6p/share is still expected by Cavendish, even though there has been a poor performance in 2024. That would be covered around 1.5 times by forecast earnings. A further decline in profit is currently anticipated for 2025, but the dividend could still rise to 3.9p/share, although it would not be covered by earnings.

Business

Nexteq was originally known as Quixant and is an outsourced provider of computer platforms and software for the global gaming machines market. When it joined AIM, it was totally dependent on the gaming market. It subsequently acquired Densitron, which supplies electronic displays and has a wider spread of customers, including medical and industrial, with a focus on the broadcast sector.

The gaming business has strong relationships with gaming machines manufacturers, and it has broadened its product range. This does mean that Nexteq is dependent on the level of spending on gaming machines, which has been weak.

Trading got worse during 2024 and there were more than one forecast downgrades. This was down to destocking and delayed product launches by customers. Revenues were $86.7m, which was slightly better than forecast, down from $114.3m for 2023. Pre-tax profit is set to slump from $14.7m to $6m.

NEXTEQ (NXQ)	
Price (p)	70
Market cap £m	42.2
Historical yield	4.7%
Prospective yield	5.1%

Net cash was $29.1m at the end of 2024. That is after spending $6.7m on share buybacks. There have been further purchases this year. Cash generation is strong, because weaker trading is leading to lower working capital requirements. The forecast annual dividend would be a cash outflow of $2.8m.

There is a new management team with Duncan Faithfull stepping up from chief commercial director to chief executive in August and finance director Matt Staight joining at the end of 2024. There is a three-year plan that targets revenues of $108m-$120m. The focus is gaming, broadcast and medical and new gaming software will provide recurring revenues. Cash could be used for acquisitions.

The 2024 results are due to be published on 19 March, but there should not be any surprises in these figures. There will be further indications about the prospects for this year. A restructuring at the end of 2024 reduced annual operating costs by $1.6m.

Currently, Cavendish expects a further dip in revenues to $85.5m this year. Pre-tax profit of $3.6m is forecast because margins are coming under pressure. There is potential for recovery in demand and the forecast appears reasonably conservative.

Dividend news

Canada-based oil and gas producer **PetroTal Corp** says it has 2P reserves of 113.7mmbbl, including 5.8mmbbl in the Los Angeles field acquired last year. One year ago, it was 100.2mmbbl. Production guidance for this year is 21-23mmbbl/day, compared with 19.2mmbbl in the fourth quarter of 2024. The core asset is the Bretana oil field in Peru and PetroTal is the largest oil producer in the country. There was cash of $115m at the end of 2024 and this can fund further capital investment, as well as dividends. The latest dividend is 1.5 cents/share. The forecast for the full year is 6 cents/share.

Outsourced video games art services provider **Winking Studios** is paying a final dividend of 0.014p/share, depending on the exchange rate, following its flotation on AIM. In 2024, revenues increased from $29.3m to $31.9m, but investment ahead of growth meant that pre-tax profit fell from $1.42m to $354,000. Net cash was $39.8m before the acquisition of Mineloader. SP Angel forecasts year-end cash of $24.9m, but that is before any potential purchases to build up a UK hub. Short-term profit will continue to be held back by investment to exploit the growing outsourced video games market.

Sylvania Platinum reduced its interim dividend from 1p/share to 0.75p/share, although this was better than expected. Pre-tax profit improved from $8.12m to $9.74m. There was an increase in capital investment from $8.3m to $27.8m. Production guidance for the full year is 75,000-78,000 platinum group minerals ounces, which suggests that second half production will be slightly lower than the 39,400 ounces produced in the first half, even with an initial contribution from the Thaba joint venture. Panmure Liberum forecasts an improvement in full year pre-tax profit from $14.7m to $16.3m. The total dividend, which last year included a special dividend of 1p/share, is set to decline from 3p/share to 2.25p/share.

Expert view: Registrars

Is there a case for better integrating registry with Investor Relations?

By Jai Baker

In last month's edition of AIM Journal, we looked at the Investor Relations lessons that might be learned from Saba Capital's string of actions in trying to force change at Investment Trusts - and the way that many of these entities were seemingly left scrabbling to cover all bases as they mounted their respective defences. That initiated some debate as to whether there would be a benefit if securities registry should be considered as a part of the investor relations function, rather than sitting where it does more typically under the remit of the Company Secretary.

Is this feasible – or simply an idea that sounds great in practice but would struggle to work in theory?

1) The language:

On the positive, a modern marketeer's clear focus when it comes to engagement and response rates would surely help close that gap between issuer and investor. Communicating in a language that puts investors first would have the potential to build trust between investor and the issuer. A fresh set of eyes on the narrative, along with what is said and how it is projected, could therefore reinvigorate that entire relationship.

2) The logistics:

It's important to remember that registry doesn't have to be a resource intensive process for the issuer. A modern registrar ought to be in a position to automate systems sufficiently to remove a lot of the heavy lifting by utilising already established digital tools and mechanisms. Technology means that issuers no longer need to be expert users when it comes to registry. Whilst there may be the occasional need for manual intervention - maybe when responding to technical shareholder queries - suggesting the challenges this may pose would be insurmountable fails to reflect the potential benefits of change or indeed the focus on usability that registrars like Avenir have invested so heavily in.

> Communicating in language that puts investors first would potentially build trust between investor and issuer

3) The oversight concern:

Any change like this would bring challenges, and the giving up of some oversight from one area of a business to another would require some learning on both sides. For example, the Marketing or IR team would still require a degree of supervision to ensure that all those vital legal responsibilities are still being met. From a management perspective, how easy is it for that to be divorced from the Company Secretary's office? Indeed, would the requisite back and forth especially in the early stages to ensure the narrative was compliant – and not just overly sales-focused - be a good use of all resources to meet the objective, or could this simply slow down the turnaround times? This may mean that a strategic shift like this would work better for larger companies who could in turn better accommodate any resource reallocation.

4) A cost/benefit analysis

That leads to the wider cost considerations beyond the absolute headcount in terms of actual monetary and administrative resource. Today, there rarely appears to be budget for extra investor engagement and only when matters become urgent is the money found. But again, this points back to the debate as to whether firefighting action is the best use of shareholder funds – and what positive impact a more proactive approach might deliver on the valuation?

What we have seen and learnt from the Saba saga is that at least in some instances, significant sums have been exhausted in defence processes that might not need to have been spent if better investor engagement had already been in place.

So, in the aftermath of so many requestioned general meetings in such a short space of time, will any of the boards of the targeted Investment Trusts seek to justify the defence spend as a good use of shareholder funds or will some grasp the initiative to do things differently in the future? Indeed, can they seek to mitigate any such future spend risk by employing strategies that ought to make it easier to align the investors and the issuer? After all, as the old adage goes, "prevention is better than the cure".

> A modern registrar ought to be in a position to automate systems sufficiently to remove a lot of the heavy lifting

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

AIM's most traded companies

The liquidity of AIM shares can vary, and some are not traded every day. Other companies have significant liquidity though.

Overall trading on AIM continues to be weaker than a couple of year ago, but there were signs of a pick-up in January. That is not always an active month, so the fact that there were 41,929 average daily trades is positive. That compares with an average of 36,787 daily trades for the whole of 2024.

There was no month during 2024 when the average number of daily trades was as high as this January

There was no month during 2024 when the average number of daily trades was as high as in January 2025. The average daily value of the trades during the month was £177m, which is still below the average of £182.7m in 2024. However, it is a big improvement on the average daily values for November and December.

Companies

Trading in individual companies varies widely. Some are highly liquid, while others barely attract the interest of any investors. When companies do catch the eye, they can be as liquid as some of their peers on the Main Market. The problem is attracting attention. Some companies have achieved that, and the shares are regularly traded in decent volumes. Others need something to gain the interest of potential shareholders, particularly if they are small.

In January, bars operator Loungers, financial services company Equals and Alliance Pharma are all in the top ten most traded by value. These are all companies involved in bids or potential offers.

There are other ways of gaining attention. ImmuPharma announced that the preclinical research programme for autoimmune therapy P140 should pave the way for earlier, more accurate diagnostics, as well as better identification and improved monitoring of patients. There were more than 64 million shares traded on the day of the announcement, which could have been equivalent to approaching £400,000 in value. There were 15,648 trades in ImmuPhama shares in January with a total value of £20.4m. There were 22 trading days in January, so the average daily value is not far short of £1m. The average over the 12-month period to February 2025 was £125,000. This is for a company that is currently valued at around £15m.

There are 37 AIM companies where the average daily trades are worth more than £1m. In these cases, the average is taken over 250 trading days, so it is equivalent to around one year.

Three of the top 15 companies in the list are planning to leave AIM this year

There are 222 companies where the average daily trades are worth more than £100,000. That is nearly one-third of the companies on AIM. More than 400 companies average daily trades valued at more than £20,000.

At the other end of the scale there are more than 30 shares where there is less than £1,000 worth of shares traded on average every day. That includes some non-voting and preference shares that are not the main shares being traded in a particular company.

The share prices of eight of the top twenty companies in terms of average daily value of trades have risen. Alaska-focused oil and gas explorer Pantheon Resources is the best performer with a 130% gain, most of which has been in the past couple of months.

There have been some sharp falls in the share prices as well. YouGov and Next 15 have both lost around two-thirds over the past year.

Top 20

Unsurprisingly, the top 20 most traded AIM companies ae dominated by the largest companies on the junior market. Ailine and tour operator Jet2 has consistently been highly liquid, but other companies that used to be, such as online retailer boohoo, are no longer as prominent.

Although the top twenty companies in the table have the highest average daily trade values, they are not necessarily the highest in terms of percentage of market capitalisation traded. Smaller companies may trade a higher percentage of their market capitalisation just like ImmuPharma.

That percentage can be deceptive. For example, the average for YouGov is equivalent to 1% of the current market capitalisation, which is two-thirds of what it was one year earlier. Compliance services provider Marlowe spun off Optima Health last autumn, so it was much larger prior to that move.

Also, Greatland Gold had a large share issue late in 2024, which meant that the market capitalisation was much lower for most of the past 12 months. So given the lower number of shares in issue for most of the period there was probably better liquidity in the shares than it appears.

Three of the top 15 companies in the list are planning to leave AIM this year. Telecoms and networking services provider Gamma Communications and data and analytics information provider GlobalData ae two of the largest companies on AIM, while North Sea oil and gas producer Serica Energy is also in the top 25 by market capitalisation.

Gamma Communications has used its AIM quotation to grow internationally. The latest acquisition is SFT Technologies Holding, trading as STARFACE, for around £165m. This puts Gamma Communications in a strong market position in the cloud PBX market for smaller companies in Germany.

GlobalData plans to move to the Main Market to enhance its profile and gain access to a broader range of investors. Yet, the figures show that it does attract significant investor interest on AIM, although it is not one of the most traded in comparison to its market capitalisation.

Also, Learning Technologies is being taken over. That means that four of the most actively traded companies will be leaving AIM. That could reduce the overall trading values in AIM over the coming year, particularly if there are no new or existing companies that can replace the volumes traded.

When AIM companies catch the eye, they can be as liquid as some of their peers on the Main Market

HIGHEST AVERAGE DAILY VALUE TRADED ON AIM

COMPANY	BUSINESS	AVERAGE DAILY VALUE (£M)	MARKET CAPITALISATION (£M)	% MKT CAP TRADED
Jet2	Transport	8.02	3,106.3	0.26
Yellow Cake	Uranium	5.37	967.2	0.56
Learning Technologies Group	Elearning	4.79	786	0.61
YouGov	Maket research	4.12	413.5	1
Gamma Communications	Telecoms	3.68	1264.3	0.29
CVS Group	Vet practices	3.45	731.7	0.47
Fevertree Drinks	Mixer drinks	2.86	851.6	0.34
Serica Energy	Oil and gas	2.6	491.7	0.53
Marlowe	Support services	2.59	276	0.94
SigmaRoc	Building materials	2.57	890.8	0.29
Greatland Gold	Mining	2.33	1098.7	0.21
Ashtead Technology	Subsea services	2.2	409.5	0.54
GB Group	Identification	2.12	808.3	0.26
Burford Capital	Litigation	2.1	2714.1	0.08
GlobalData	Marketing	2.06	1457.8	0.14
RWS Holding	IP services	1.91	457.1	0.42
Craneware	Software	1.9	658.6	0.29
Renew Holdings	Engineering services	1.8	521.6	0.35
Next 15	Marketing	1.75	304.8	0.57
Pantheon Resources	Oil and gas	1.68	672.2	0.25

Source: ShareScope (28 February 2025)
Notes: Average daily value of trades over 250 days.

Market Performance, Indices and Statistics

AIM SECTOR INFORMATION

SECTOR NAME	% OF MARKET CAP	% OF COMPANIES
Industrials	22.3	18.4
Consumer	21.7	16.5
Technology	12	13.1
Health Care	11.1	11
Financials	11	10
Basic materials	9.6	15.9
Energy	6.2	10.6
Telecoms	2.8	1.9
Utilities	1.6	1.8
Property	1.6	0.6

KEY AIM STATISTICS

Total number of AIM	680
Number of nominated advisers	23
Number of market makers	20
Total market cap for all AIM	£68.6bn
Total of new money raised	£136.4bn
Total raised by new issues	£48.5bn
Total raised by secondary issues	£87.8bn
Share turnover value (Jan 2025)	£3.9bn
Number of bargains (Jan 2025)	0.92m
Shares traded (Jan 2025)	132.5m
Transfers to the official list	205

FTSE INDICES

ONE-YEAR CHANGES

INDEX	PRICE	% CHANGE
FTSE AIM All-Share	703.83	-4.6
FTSE AIM 50	3695.97	-6.8
FTSE AIM 100	3388.88	-5.3
FTSE Fledgling	11542.23	+5.8
FTSE Small Cap	6625.34	+6
FTSE All-Share	4754.32	+14.3
FTSE 100	8809.74	+15.5

COMPANIES BY MARKET CAP

MARKET CAP	NO.
Under £5m	128
£5m-£10m	85
£10m-£25m	131
£25m-£50m	92
£50m-£100m	81
£100m-£250m	90
£250m+	73

TOP 5 RISERS OVER 30 DAYS

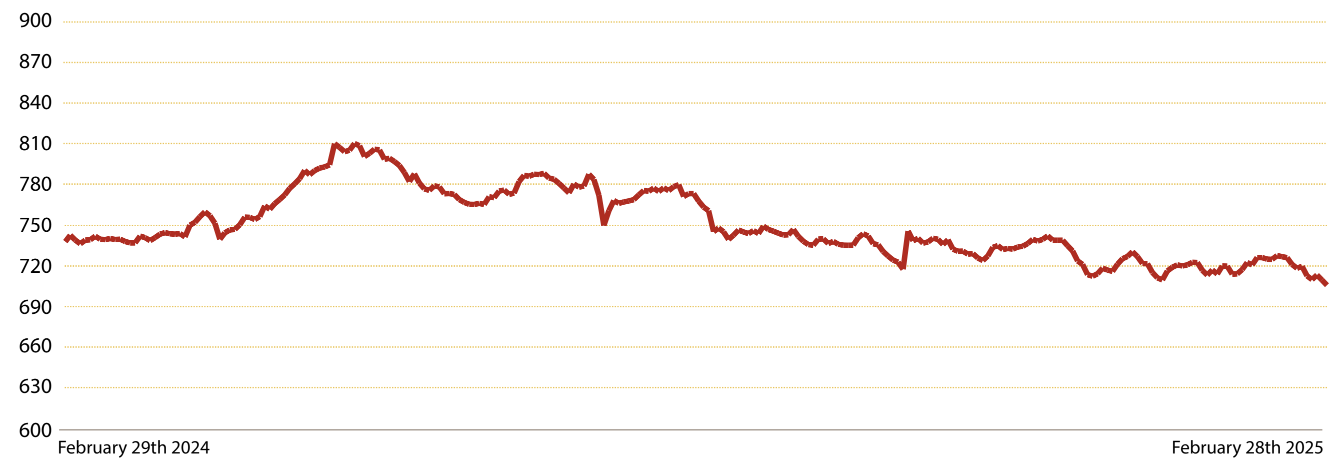
COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
Eurasia Mining	Mining	6.1	+126
Agronomics	Agriculture	8.2	+113
Vast Resources	Mining	0.22	+105
Xeros Technology	Industrial	1.025	+95.2
Metals One	Mining	0.45	+80

TOP 5 FALLERS OVER 30 DAYS

COMPANY NAME	SECTOR	PRICE (p)	CHANGE (%)
RA International	Support services	0.8	-87.7
CMO Group	Retail	1.25	-87
LungLife AI	Healthcare	1.4	-86.3
Oncimmune	Healthcare	1.75	-82.7
TheraCryf	Healthcare	0.275	-75.6

AIM - 1 YEAR INDEX CHANGE

Source: London Stock Exchange



Data: Hubinvest Please note - All share prices are the closing prices on the 28th February 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 3,800 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 £134bn either when they join AIM or while they are trading on the junior market.

In 1995, there were 29,099 trades with a total value of £270.2m. These days it is unusual if there are not that many trades in a single day, although their total value tends to be less than £270m.

Companies in the FTSE 100 that started on AIM include online gaming operator GVC, 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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