



AIM JOURNAL

THE ONLINE MONTHLY FOR THE ALTERNATIVE INVESTMENT MARKET

AIM 2020 IPO Review - Avenir's perspective

What a year that was - and for all the wrong reasons. Starting with optimism and hope for the Capital Markets, and with AIM being 25 years old, celebrations for this landmark achievement were in full swing. However, that soon took a very difficult downward turn and 2020 morphed into something that we have never experienced before.

Working from home became the new normal, 'furlough' probably the most used word in the English language, the daily 5pm Downing Street briefing essential viewing and communicating through digital video the default.

Arguably, the shift to remote working highlighted just how flexible we could all be, although at Avenir this was very much business as usual. We have always worked on a distributed basis, leveraging our technology to benefit customers and staff alike, meaning that concepts such as virtual team meetings were nothing new. Like many others, we stepped up and supported clients who needed to embrace these new ways of working, facilitating events such as online investor meetings as well as navigating social distancing rules to ensure statutory events could take place as needed.

Perhaps the key takeaway here, however, is that engagement rates for virtual and online events surged, suggesting that few may want to shift away from the new normal. So even with all the disruption that took place, the economy needed keep going and looking back on how that extraordinary 12 months affected the AIM market for new listings, the figures show it certainly wasn't all doom and gloom. Notably, the secondary market was extremely busy with follow-on raisings.

AIM market listings

Prior to lockdown, the year started positive with three AIM admissions taking place – the listing of boutique hospitality group Barkby and then IPOs for eyewear provider Inspects and professional services firm FRP Advisory who raised over a total of £45m between them - but as March came and the pandemic hit, everything stopped.

With all the uncertainty and volatility around, markets were clearly going to be affected and the first few months of the lockdown were very quiet indeed. However, as the summer approached we saw movement with challenger consultancy firm Elixirr listing in July, raising £20m and providing a welcome shot in the arm to the market.



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AIM 2020 IPO Review - Avenir's perspective (continued)

12 further companies completed listings, which included restaurant group Various Eateries, mental health & wellbeing provider Kooth, telecoms test company Calnex (the first Scottish Company to list on AIM in two years) and mobile payment & messaging specialist Fonix Mobile. Between them, the cohort raised a total of £200m since the summer. In total, 2020 saw 16 new AIM IPOs raising over £270m in new money, a far stronger end to the year than may have been expected.

The year ahead

Leaving 2020 firmly behind us, this year looks very promising with many listings that were put on hold now waiting in the wings. With the innovation that drove so much in 2020, the push for tech momentum is continuing to gain traction. Companies of that ilk have the potential to find favour and market sentiment suggests that 2021 could be a bumper year as many are ready - and raring - to go.

Yes, there will be trepidation in listing, but if 2020 has shown us anything is that the Capital Markets are resilient and a marketplace such as AIM will always continue to help and support companies in the next stage growth.

How Avenir can help

Undertaking an IPO is a complex process and you will need the right advisory group - more so than ever now - to help guide you through the myriad of processes and tasks that are required. Avenir has extensive experience in bringing companies to market and can support issuers with both the practical and logistical elements of an IPO from early IPO preparation, through to launch day and beyond, so get in touch today to find out how we can help. 2020 has been a year with unprecedented challenges, but the perennial resilience of capital markets has certainly shone through.

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On January 11th, Avenir Registrars welcomed IMC Exploration as its latest client. As an Irish registered, London listed issuer, IMC had to take action to ensure its listing could be maintained following CSD changes in the wake of Brexit. The team at Avenir was happy to facilitate this move and provide the company with a next-generation registry solution designed to meet its current and future needs.

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