

About AIM Advisers

AIM Advisers helps small and medium-sized, growth-oriented U.S. companies complete IPOs on the Alternative Investment Market (AIM) of the London Stock Exchange. AIM Advisers also provides a range of services to the 48 U.S.-based companies that are already listed on AIM.

IPO Activity – 2017

Highlights

- 51 companies completed IPOs on AIM during 2017, a 21% increase from 2016
 - 4 were U.S.-based companies
 - 21 included meaningful liquidity events for selling shareholders
- £2.2 billion (\$2.9 billion) was raised for IPOs during 2017, an 89% increase from 2016
 - Selling shareholders raised £0.9 billion (\$1.3 billion), a record 44% of the total
- Average IPO raised £42.2 million (\$56.1 million), median £15.3 million (\$20.3 million)
 - At a cost of 7.9% and 9.3%, respectively, of gross funds raised
- 84% of AIM IPOs raised between £3 and £200 million (\$4 and \$266 million)
- Average opening MC of £77 million (\$102 million), median £46 million (\$61 million)
- 82% of MCs between £10 million and £250 million (\$13 million and \$333 million)
- IPO dilution of existing shareholders amounted to 25%
- Average post-IPO free float of 49%
- Average and median share price return of 16% and 6% since IPO (median date is 8/4/17)
 - FTSE AIM All-Share Index rose 24% during 2017 but only 11% from 8/4/ - 12/31
- 29 of the 51 companies generated revenues > £2 million (range £4 million - £570 million)
 - Median trailing pre-money revenue multiple of 1.57
- 14 of the 51 companies earned profits > £1 million (range £1 million - £22 million)
 - Median trailing pre-money P/E ratio and EBITDA multiple of 15.11 and 10.65
- Industry and geographic dispersion and financial profile of the 51 companies - pages 5 - 7
- Detailed descriptions and insights into the 51 companies - pages 8 - 12

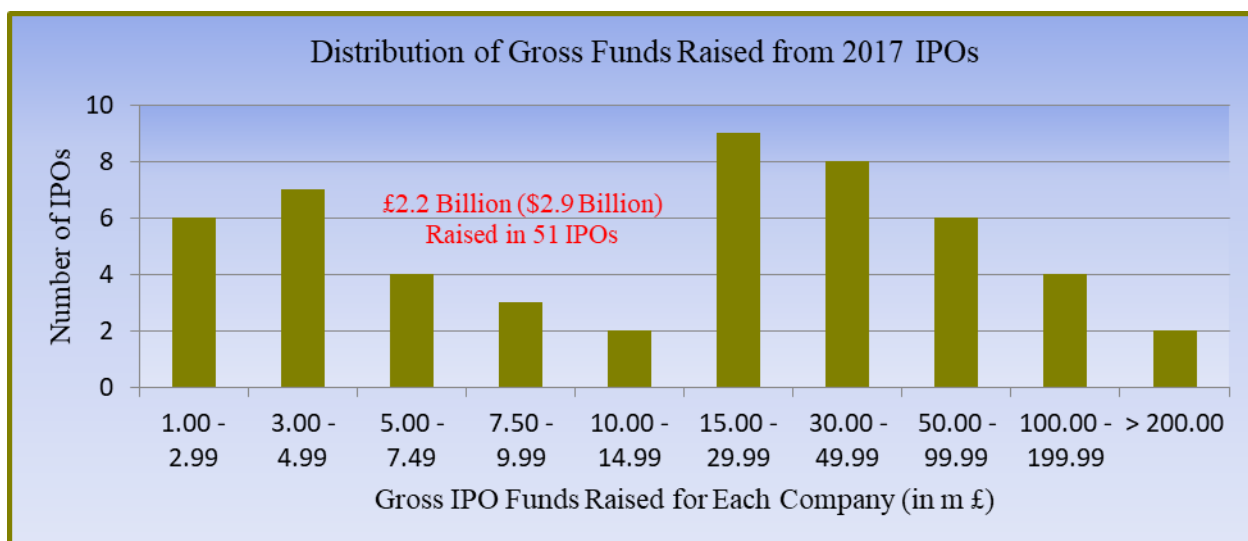
	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2015	38	650	17
2016	42	1,137	27
2017	51	2,151	42
Total	131	3,938	30

Since the London Stock Exchange launched AIM in 1995, an aggregate of £106 billion (\$141 billion) has been raised for growth-oriented SMEs; £43 billion (\$57 billion) for IPOs and £63 billion (\$84 billion) for Secondary Offerings.

The table on the previous page shows that while the number of AIM IPOs increased modestly from 2016 to 2017, the gross funds raised surged by 89%. Of particular note is the fact that four of the 51 IPOs were for U.S.-based companies and 21 of the 51 IPOs included meaningful liquidity events for selling shareholders who raised £946 million (\$1.3 billion), accounting for a record 44% of the total. This follows on from 2016 when selling shareholders raised £424 million (\$564 million) for what was then a record 37% of the total, therefore, perhaps these levels of selling shareholder activity will persist.

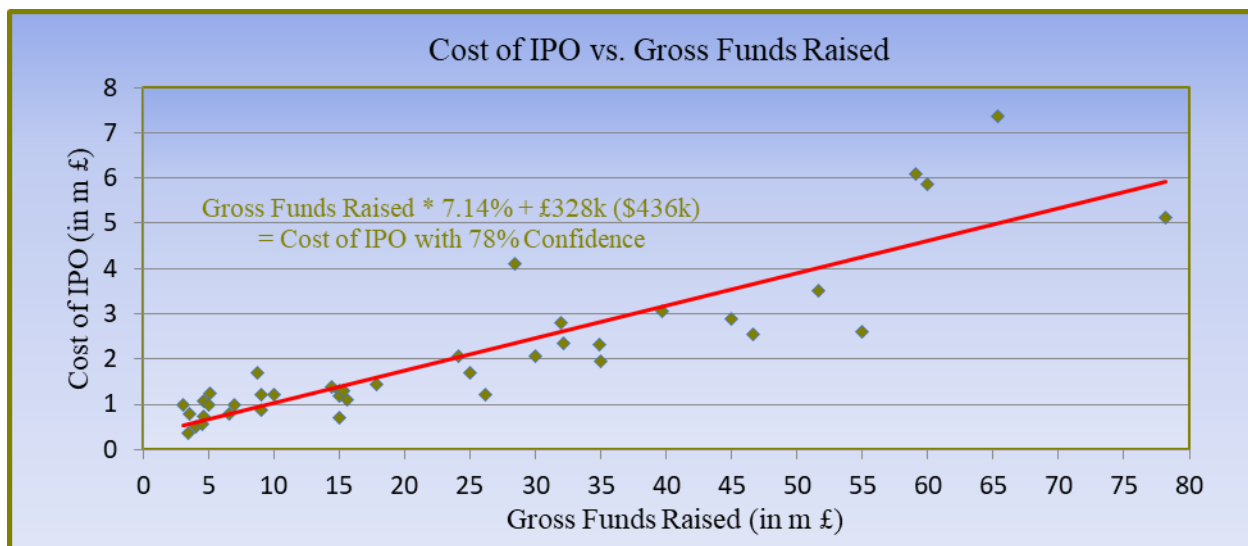
From a sectoral perspective, industrials accounted for 19% of AIM IPOs during 2017 with all but one of the 10 companies based in the UK. Financials accounted for 17%; two of the nine were U.S.-based companies and four were Investing Companies. Seven consumer services companies completed IPOs on AIM during 2017 for a 14% share, all based in the UK and all coming to market during the second half of the year. Oil and gas and cleantech companies accounted for 12% after essentially a three-year drought. All five oil and gas companies operate outside the UK, with one based in the U.S., and the cleantech company has operations in the UK, San Marino and the U.S. Basic materials (i.e. mining) also accounted for 12% of AIM IPOs during 2017 with all six companies operating outside the UK, with one based in the U.S. Five technology companies completed IPOs on AIM during 2017 for a 10% share, three from the UK, one from Israel and one from India. Finally, healthcare and consumer goods companies each accounted for 8% of AIM IPOs during 2017 with all four healthcare companies and all four consumer goods companies based in the UK.

The chart below provides the distribution of gross funds raised for AIM IPOs during 2017. The bifurcation between ‘small’ and ‘large’ IPOs is obvious. The sweet spot for AIM IPOs is typically between £5 million and £100 million (\$7 million and \$133 million).



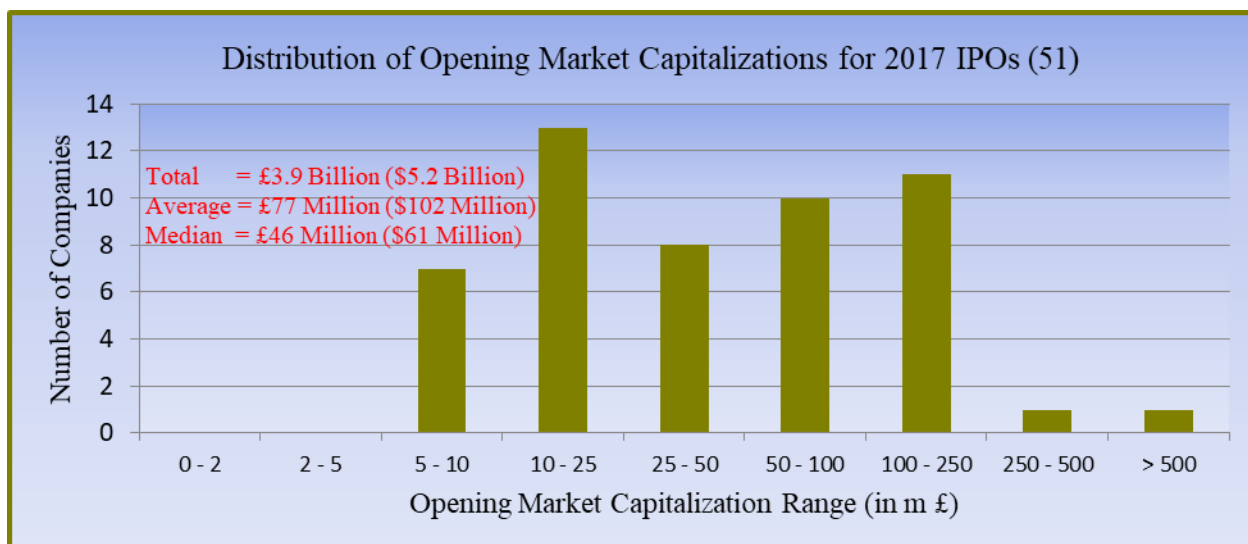
Of the aggregate gross funds raised, 56% was for the companies and 44% was for selling shareholders, which were present in 24 of the 51 IPOs, with 21 selling a meaningful equity stake. This is the highest relative level of selling shareholder activity ever recorded on AIM. While the average amount of gross capital raised was £42.2 million (\$56.1 million), the median was only £15.3 million (\$20.3 million).

The equation in the chart below can be used to predict the cost of an AIM IPO with 78% confidence. The 39 data points represent the gross funds raised and associated costs for the IPOs that raised at least £3 million (\$4 million) but not more than £100 million (\$133 million). Since these 39 companies raised an average of £24.12 million (\$32.08 million), the expected cost would be £2.05 million (\$2.73 million) or 8.5% of the gross funds raised.

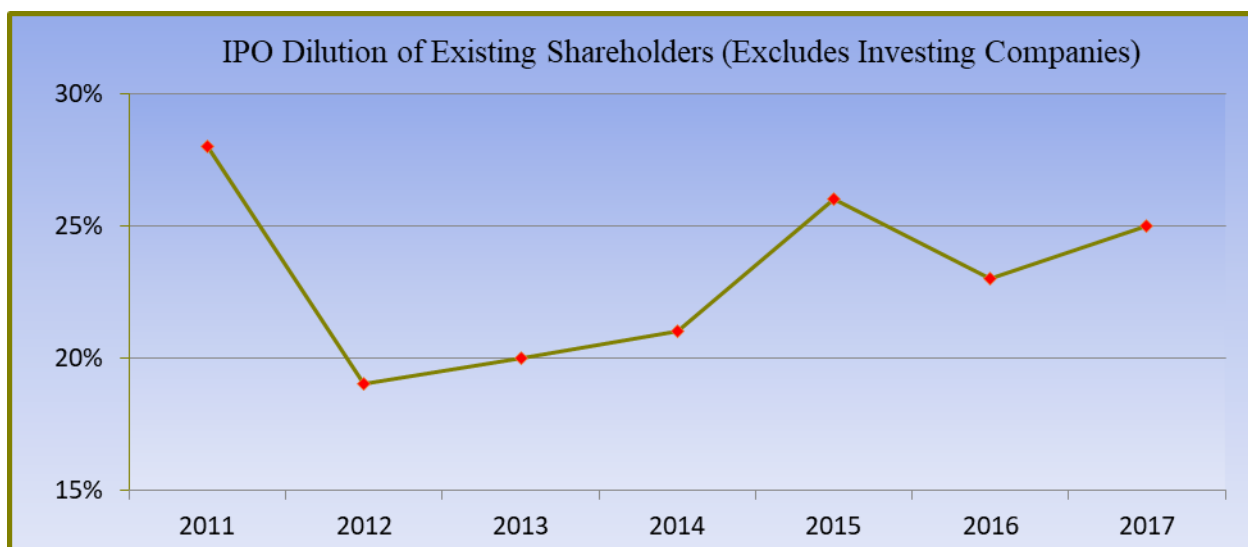


The average and median offering costs for all 51 AIM IPOs amounted to 12.8% and 9.6%, respectively, of the gross funds raised, however, the average, in particular, is skewed by a handful of relatively small IPOs where the fixed costs dominate.

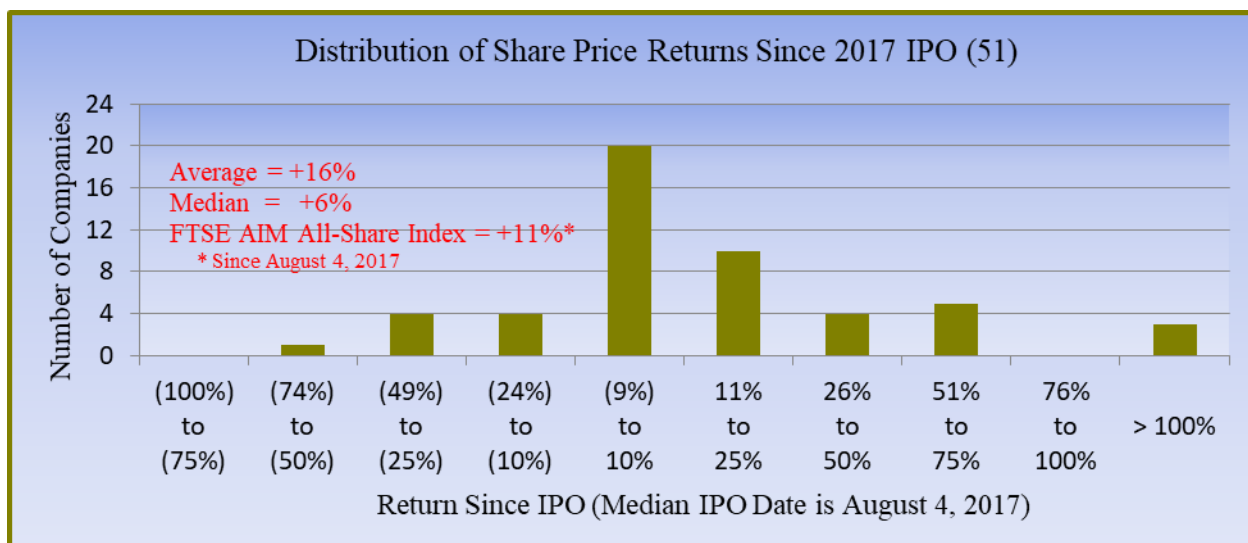
The chart below provides the distribution of opening market capitalizations. The average company's opening market capitalization was £77 million (\$102 million) whereas the median was £46 million (\$61 million). The sweet spot for AIM IPO opening market capitalizations is between £10 million and £250 million (\$13 million and \$333 million).



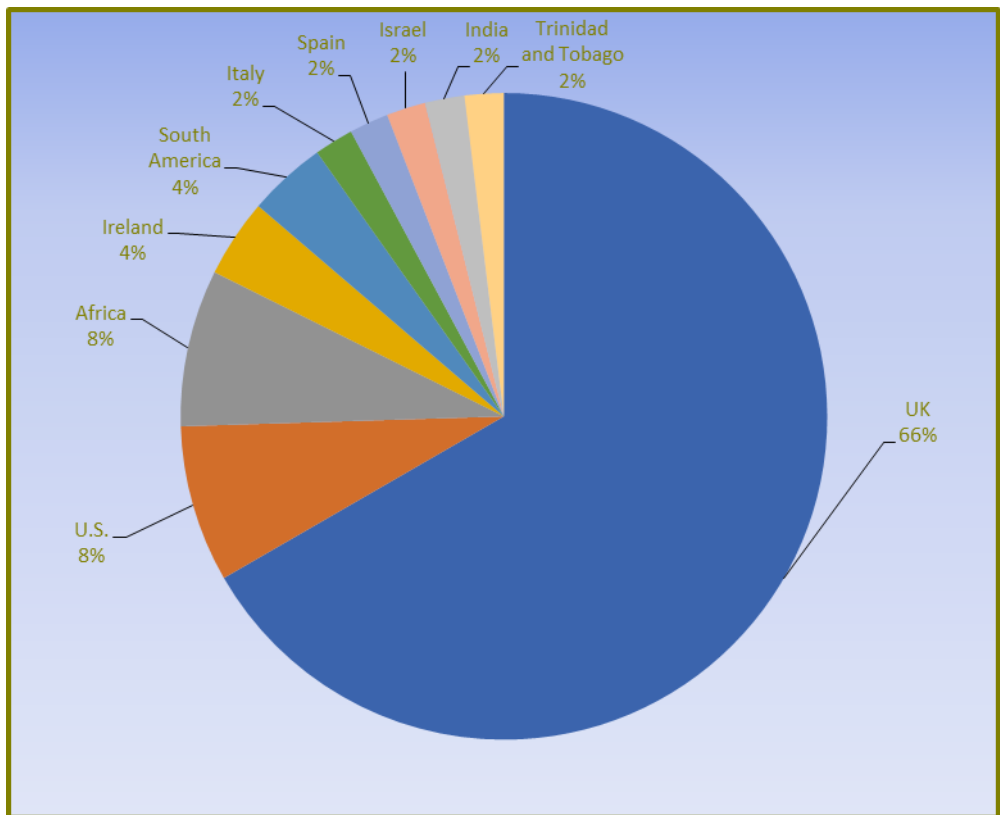
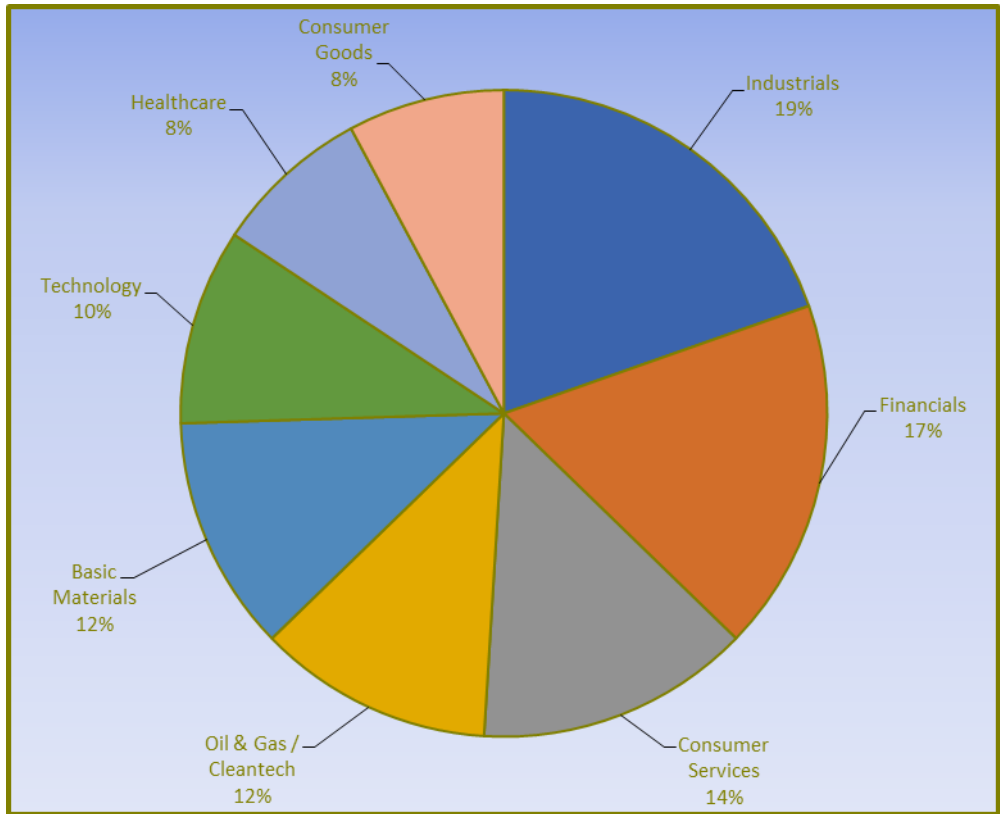
The chart below illustrates the IPO dilution of existing shareholders over the last seven years. As expected, dilution decreased coming into the two-year bull market for AIM IPOs that began in 2013 and increased through 2015 as IPO activity slowed to allow the market to digest all of the new entrants. Since AIM IPO activity picked up during 2016, dilution again decreased, which may be a precursor to the start of another bull market, however, the UK General Election dampened AIM IPO activity for UK companies during the first half of 2017. Dilution decreases because favorable market conditions place companies in stronger valuation negotiating positions.



The final chart in this section provides the distribution of share price returns since each company completed its AIM IPO during 2017. It should be noted that the median IPO date is August 4, 2017, therefore, the average and median returns of +16% and +6%, respectively, only represent, on average, the last 150 days of 2017. As a point-of-reference, the FTSE AIM All-Share Index rose by 24% during 2017 but only rose by 11% from August 4, 2017 through the end of the year; therefore, the relative performance of the 51 AIM IPOs is right in line with the broader market. The average post-IPO free float was 49%.



Industry and Geographic Dispersion and Revenue and Profitability Profile



Revenue and Profitability*	UK (34)	U.S. (4)	Africa (4)	Ireland (2)	South America (2)	Other (5)	Totals (51)
Industrials (10)	5 SR & SP 4 SR					1 SR & SP	6 SR & SP 4 SR
Financials (9)	3 SR & SP 3 Neither	2 SR & SP		1 Neither			5 SR & SP 4 Neither
Consumer Services (7)	2 SR & SP 4 SR 1 Neither						2 SR & SP 4 SR 1 Neither
Oil & Gas / Cleantech (6)	1 Neither	1 SR	1 Neither		1 Neither	1 SR 1 Neither	2 SR 4 Neither
Basic Materials (6)		1 Neither	3 Neither	1 Neither	1 Neither		6 Neither
Technology (5)	2 SR 1 Neither					2 Neither	2 SR 3 Neither
Healthcare (4)	1 SR 3 Neither						1 SR 3 Neither
Consumer Goods (4)	1 SR & SP 2 SR 1 Neither						1 SR & SP 2 SR 1 Neither
Totals (51)	11 SR & SP 13 SR 10 Neither	2 SR & SP 1 SR 1 Neither	4 Neither	2 Neither	2 Neither	1 SR & SP 1 SR 3 Neither	14 SR & SP 15 SR 22 Neither
* Significant Revenues (SR) and Significant Profitability (SP) are defined as > £2 million and > £1 million.							

AIM-listed companies are organized into 90 sub sectors, which feed into 40 sectors, which feed into 10 super sectors. During 2017, only two super sectors were not represented with an IPO; Telecommunications and Utilities. The first pie chart on the previous page illustrates the relative number of AIM IPOs in each of the eight represented super sectors. Since the classifications can be deceptive, the table at the end of this newsletter on pages 8 - 12 provides some detailed descriptions and insights into the individual companies.

From a sectoral perspective, industrials accounted for 19% of AIM IPOs during 2017 with all but one of the 10 companies based in the UK. Financials accounted for 17%; two of the nine were U.S.-based companies and four were Investing Companies. Seven consumer services companies completed IPOs on AIM during 2017 for a 14% share, all based in the UK and all coming to market during the second half of the year. Oil and gas and cleantech companies accounted for 12% after essentially a three-year drought. All five oil and gas companies operate outside the UK, with one based in the U.S., and the cleantech company has operations in the UK, San Marino and the U.S. Basic materials (i.e. mining) also accounted for 12% of AIM IPOs during 2017 with all six companies operating outside the UK, with one based in the U.S. Five technology companies completed IPOs on AIM during 2017 for a 10% share, three from the UK, one from Israel and one from India. Finally, healthcare and consumer goods companies each

accounted for 8% of AIM IPOs during 2017 with all four healthcare companies and all four consumer goods companies based in the UK.

The second pie chart two pages back shows the main country of operation for the companies that completed IPOs on AIM during 2017. Unsurprisingly, the UK is the main place of operation for more AIM-listed companies than any other country. Approximately 65% of the 950 companies currently listed on AIM are based in the UK.

Of the 51 companies that completed AIM IPOs during 2017, 29 (57%) generated significant revenues (i.e. > £2 million or \$3 million) during their most recent financial year with the range being £4 million - £570 million (\$5 million - \$758 million). The average trailing pre-money revenue multiple was 2.84 and the median was 1.57. Of the 29 companies that generated significant revenues, 14 (48%) earned significant profits (i.e. > £1 million or \$1 million), with the range being £1 million - £22 million (\$1 million - \$29 million). The average trailing pre-money P/E ratio and EBITDA multiple for the 14 companies that earned significant profits was 26.78 and 15.38, respectively, and the medians were 15.11 and 10.65.

Of the 34 UK companies that completed AIM IPOs during 2017, 24 (71%) generated significant revenues during their most recent financial year. Of these 24 companies, 11 (46%) earned significant profits. The comparative metrics for 2016 were 66% and 57%, respectively, indicating that investors during 2017 wanted to see a little more commercial traction but are apparently willing to wait a little longer for significant profits.

Of the 17 companies from outside the UK that completed AIM IPOs during 2017, five (29%) generated significant revenues. Of these five companies, three (60%) earned significant profits. The comparative metrics for 2016 were 70% and 29%, respectively, indicating that investors were willing to forgo commercial traction but were unwilling to wait for significant profits.

The historically significant number of companies that completed their AIM IPOs during 2015 via the 'fast track route to AIM' (5 of 38), wherein their securities were traded on an AIM Designated Market (ADM) for at least the previous 18 months, did not continue during 2016 or 2017. Only one company utilized the fast track route during 2016 via the Australian Securities Exchange (ASX) and only one company did so during 2017 via the Toronto Stock Exchange (TMX Group), with both companies now dual listed. The fast track route to AIM had been rare; used by only five of the 234 AIM IPOs from 2011 - 2014. Companies utilizing the fast track route do not have to produce the typical AIM Admission Document but rather a brief, but detailed, pre-admission announcement. The 10 ADMs are the top tier markets of the ASX, Deutsche Börse Group, Johannesburg Stock Exchange, NASDAQ, NYSE, NYSE Euronext, NASDAQ OMX Stockholm, Swiss Exchange, TMX Group and the UKLA Official List (i.e. the London Stock Exchange's Main Market). Companies utilizing the fast track route still need to appoint an AIM Nominated Adviser and an AIM Nominated Broker.

A few final points to note during 2017 are that one company dual listed on AIM from the TSX Venture Exchange (Toronto) and another did so from Euronext Growth (formerly Alternext), with both raising capital on AIM, one company simultaneously completed its IPO on AIM and the Enterprise Securities Market of the Irish Stock Exchange and two companies completed their AIM IPOs after being demerged from existing public companies listed on AIM and the ASX.

<p>Industrials (10)</p>	<p>One is a UK-based business sales specialist that helps its clients with the presentation of their businesses for sale, sourcing potential acquirers (trade, individual and private equity) and project managing transactions to completion, one is a UK-based logistics and supply chain organization that operates 2,200 vehicles, 3,800 trailers and has 24 distribution centers throughout the UK and Europe with 5,500 employees, one is a UK-based company that manufactures advanced carbon fiber and ancillary material kits for use in the production of aircraft where they use their process knowledge, business processes and proprietary software to reduce the amount of material required by their customers and also reduce the associated material waste when making aircraft parts, one is a Spanish-based superyacht painting, supply and maintenance company offering services globally through operations in the Mediterranean, Northern Europe and the U.S., one is a provider of specialized infrastructure services to the UK housebuilding and commercial sectors such as carrying out earthworks, remedial work, building highways, substructures and basements, creating drainage systems, constructing reinforced concrete frames and designing, installing and connecting gas, electricity, water networks and fiber for new residential and commercial developments, one is a UK-based designer, manufacturer and supplier of a variety of safety controls for small domestic appliances, primarily kettles where they have a 38% global market share, and other components and devices involving water heating and temperature control, steam management and water filtration, one provides integrated freight management services to the supply chain logistics and fulfilment sector across the UK and Europe with a particular focus on, and expertise in, countries in Central and Eastern Europe, one is a UK-based provider of specialist consultancy services to the asset and wealth management industry that combines consulting expertise with detailed proprietary benchmarking data to 17 of the 20 largest global asset managers by AUM and 60% of the top 50, one is a UK-based independent direct carrier billing company that enables mobile phone users to buy goods and services and charge them to their mobile phone bill or pre-pay balance and one is a UK Top 100 challenger law firm utilizing a platform model to disrupt the traditional law firm model with 250 self-employed lawyers providing services from their own offices to SMEs and private individuals with 35 support staff based at the company’s head office, all networked via customized, proprietary software that enables the lawyers to interact with the central office team and each other in an easy and efficient manner</p>
<p>Financials (9)</p>	<p>One is a UK-based financial services provider and retailer that provided foreign currency exchange, pawnbroking loans, precious metals buying and selling and retailing of secondhand and new jewelry to 700,000 customers last year and has 550 employees, one is a U.S.-based integrated provider of international benefits insurance; operating in 120 jurisdictions with 10 offices and 280 employees that distributes and underwrites health, disability, travel and life insurance for multinational corporations, expatriates, local high-net-worth individuals, international schools, non-</p>

	<p>profit organizations and international students, one provides currency risk management advice and strategies, alongside a selection of FX products, to UK companies that trade internationally and institutions impacted by currency volatility, one is a U.S.-based company that issues completion contracts to financiers of independent films and television providing them with assurance that a production will be completed on time, on budget and to a pre-agreed specification, one offers a range of services to Directly Authorized financial advisers in the UK, including on-platform only discretionary fund management (with £4 billion currently under management), regulatory, compliance and business consulting services and acting as a mortgage distributor providing access to the majority of the UK's banks and building societies, one is an Irish renewable energy Investing Company seeking to consolidate ownership of operational wind farms in Ireland over the short to medium term and, in due course, to diversify its portfolio through acquisitions of further renewable energy infrastructure assets in other Eurozone countries, one is a UK-based Investing Company seeking to create value through the acquisition and subsequent development of target businesses within the large, yet highly fragmented, downstream and specialty chemical sector with an initial acquisition in the UK, North America or Europe with an enterprise value in the region of £500 million to £2 billion, one is a UK-based Investing Company that intends to invest in a diversified portfolio of UK warehouse assets located in urban areas due to the rise of e-commerce, internet shopping and investment by retailers in the 'last mile' of delivery and one is a UK-based Investing Company that intends to invest in listed equities and other financial products and instruments using a private equity approach focused on the 700 SMEs (market caps below £200 million) listed on AIM and the Main Market of the London Stock Exchange</p>
<p>Consumer Services (7)</p>	<p>One is the largest specialist fishing tackle and equipment retailer in the UK selling through its network of 15 retail stores, its own website and other third-party websites with a 30,000 square foot central distribution center, one is a UK-based provider of temporary physical structures, seating, ice rinks, furniture and interiors for major sporting, outdoor and leisure events that provides a managed solution from concept and design through to the construction and integration of the final structure and interior operating across Europe, the U.S., the Middle East and Asia with clients that include Wimbledon Tennis, The Open, PGA European Tour, Ryder Cup and IMG, one is a UK-based omni-channel fast fashion womenswear brand, specializing in occasion wear and dressy casual wear, primarily for 16 to 35 year olds, offering clothing, footwear and accessories through more than 300 standalone stores, concessions, franchise stores, wholesale partners and international online partners across 19 countries, one is a UK-based fashion retailer focused on the branded footwear and apparel markets, primarily for 16 to 24 year olds, sourced from an extensive stable of third party and own brands, which combine established sports and casual branded footwear and apparel from the likes of Adidas, Nike, The North Face, Gym King,</p>

	<p>Converse, New Balance, Emporio Armani 7, Vans, Nicce London, Siksilk, Under Armour and Calvin Klein, with up-and-coming brands and own label products sold via 61 company-owned stores, an ecommerce platform and a recently launched wholesale arm for distributing its own brands via a network of partners, one is an owner and operator of 34 premium pubs across Southern England, located largely in London, cathedral cities and market towns, that plans to accelerate its acquisition strategy, one is a UK-based, technology-enabled lifestyle and travel platform providing trusted concierge services to the world's wealthy via a corporate client model that includes private banks, retail banks, premium payment cards providers and luxury brands that provide the company's services to segments of their premium individual customers, helping them discover, organize and book travel, dining and live entertainment and one is a UK-based global video technology company engaged in the development of native in-video advertising (NIVA) whereby its proprietary technology platform is capable of inserting branded products and signage into existing video content with ease as a new means of advertising</p>
<p>Oil & Gas / Cleantech (6)</p>	<p>One is an exploration and production company with approximately 7,500 conventional gas and oil producing wells in the Appalachian Basin in the northeastern U.S., one is an exploration company with onshore and offshore oil and gas licenses in South America (Guyana) and Africa (Namibia), one is an onshore natural gas producer with assets in Northern Italy near Milan and Bologna, one has near offshore oil-producing assets in the Republic of the Congo, one acquires interests in petroleum and natural gas rights then explores, develops, produces and sells petroleum and natural gas with current onshore oil producing assets in Trinidad and Tobago where enhanced oil recovery experience and techniques can be employed while they also examine opportunities in other jurisdictions with stable political and fiscal regimes and large amounts of known oil in place and one is a UK-based cleantech holding company focused on next generation solar panel technology (subsidiary in San Marino), liquid gas absorption for CO² capture and emission control (subsidiary in California) and a filtration system which de-odorizes air in waste water treatment systems (subsidiary in the UK)</p>
<p>Basic Materials (6)</p>	<p>One is a Brazilian-based company that has three mining licenses from which it plans to develop a low cost, low capex, open pit mine, which would be South America's largest and most advanced platinum group metals project, supplying a market in long-term deficit, one is a U.S.-based base metal explorer and developer which is fast-tracking a historically-producing mine in Idaho back into production with a two-phase development strategy; low cost, open pit production from the current oxide resource, targeting 7,000 tons of copper cathode per annum by 2020 via a SX-EW plant followed by extending the life of the mine by targeting the deeper (below 400 feet), higher-grade copper sulfides, where intercepts of up to 11.4% of copper have been recovered, one is an Africa-focused mining exploration 'project generator' with a portfolio of projects in</p>

	<p>Cameroon, Ethiopia, Morocco and Liberia where the idea is to conduct multiple exploration programs simultaneously, prior to entering into joint ventures on discoveries with industry partners, providing shareholders with the opportunity to participate in a single venture that has upside optionality and diversification while benefiting from the efficiency of one experienced and aligned management team, one is a West African focused gold exploration company with its flagship project in southern Mali, one is a newly formed company that was demerged from an existing AIM-listed company and acquired its tin assets in northwest Namibia and one is a European focused mineral exploration company with a portfolio of zinc prospects in Ireland and gold projects in Sweden</p>
<p>Technology (5)</p>	<p>One is an Israeli-based company that develops network processor System-on-Chip (SoC) firmware and software that is integrated on Field-Programmable Gate Arrays (FPGAs) used in high end carrier ethernet applications across the telecom, mobile, security and data center markets to improve efficiency and accelerate data processing, thereby reducing power consumption and reducing the cost of maintaining network infrastructure by allowing hardware systems to be upgraded for new developments via software in contrast to Application-Specific Integrated Circuit (ASIC) solutions that are fixed in design and require hardware to be redesigned and replaced each time there is a need for modification, one is a UK-based SaaS developer of document management software that provides a highly secure form of digital document distribution, used by professional services organizations such as accounting firms, across the UK, U.S., Australia and New Zealand, one is a UK-based, B2B SaaS app distribution and management platform that allows customers to distribute their apps to, and manage their apps on, multiple app stores and enables app developers and publishers to manage and track the performance of their own and competing apps across all of the app stores on the platform, one is a Glasgow-based niche cloud computing and connectivity provider for financial markets providing a low-latency service for automated (also known as algorithmic) trading in forex and futures from nine data centers in London, New Jersey, Chicago, Frankfurt, Tokyo and Hong Kong and one is an Indian-based provider of precision marketing software used by telecommunications companies to study their end user data and reveal patterns, trends, associations and key behavioral traits (i.e. Big Data analytics) so as to be able to provide relevant offers (which can include additional services or customized campaigns) to end users through a variety of channels like SMS, email and apps</p>
<p>Healthcare (4)</p>	<p>One is a UK-based biotech that is using bacteria derived from probiotic organisms to modulate the skin and has achieved proof-of-principal in human skin models, successfully demonstrating the technology's three modes of action; skin protection, skin management and skin restoration as the company looks to target three specific markets; cosmetic products for sensitive skin, infection control and dermatological conditions such as eczema, one is a UK-based clinical stage biotechnology company focused</p>

	<p>on the development of novel medicines that represent a new approach to the treatment of infectious disease, specifically life-threatening infections caused by antibiotic resistant bacteria, often referred to as ‘superbugs’, such as post-surgical Staphylococcus aureus infections (including MRSA), one is a UK-based specialist in clinical diagnostics with a growing portfolio of cancer and infectious disease products and services, including diagnostic reagents used in oncology, microbiology, hematology and the serology markets, provided to a customer base that ranges from small research clinics, to hospitals and suppliers serving large corporates in the UK, France, China, Australia and the U.S. and one is a Belfast-based CRO that was spun out of Queen’s University that provides a range of antibody engineering services for the development of antibodies for both therapeutic drug and diagnostic applications to eight of the top 10 global pharmaceutical companies so that they can develop innovative products in a timely and cost-effective manner</p>
<p>Consumer Goods (4)</p>	<p>One is a UK-based personal healthcare company developing and commercializing technology and products that may improve physical appearance, hygiene and general health outcomes in the areas of wound care, oral care and skincare having developed a 3-dimensional human skin equivalent, one is a UK-based, direct-to-consumer, e-commerce European sleep brand principally focused on the design, branding, marketing and selling of mattresses, pillows, sheets and duvets, with other aspects of its operations, such as manufacturing and fulfilment, being outsourced, one is a Scotland-based developer of land and builder of private and affordable housing that focuses on securing land for residential use which often requires considerable remediation work and significant investment in infrastructure prior to commencing development and one is a UK-based provider of creative and development services to the video games and entertainment industries, working across all console platforms, PC, handheld and mobile devices, operating from studios in Sheffield, Newcastle, Nottingham, Pune (India) and Vancouver (Canada) providing both turnkey and co-development solutions to an international blue-chip client base that includes Microsoft, Sony, Sega, CCP Games, IO Interactive, Warner Brothers and Marvel</p>