AIM Advisers, Inc.
Maximizing Present & Future Value

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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 49 U.S.-based companies that are already listed on AIM.

IPO Activity – H1 2017

Highlights

- 18 companies completed IPOs on AIM during H1 2017, a 13% increase from H2 2016
  - 4 were U.S.-based companies
  - 6 included meaningful liquidity events for selling shareholders

- £684 million ($890 million) was raised for IPOs during H1 2017, up 170% from H2 2016
  - Selling shareholders raised £346 million ($450 million), a record 51% of the total

- Average IPO raised £38.0 million ($49.4 million), median £14.7 million ($19.1 million)
  - At a cost of 8.7% and 9.2%, respectively, of gross funds raised
- 61% of AIM IPOs raised between £5 and £100 million ($7 and $130 million)

- Average opening MC of £80 million ($104 million), median £28 million ($36 million)
- 67% of MCs between £10 million and £250 million ($13 million and $325 million)

- IPO dilution of existing shareholders amounted to 26%
- Average post-IPO free float of 48%

- Average and median share price return of 14% and 8% since IPO (median date 4/9/17)
  - FTSE AIM All-Share Index rose 14% during H1 2017 but only 3% from 4/9 - 6/30

- 10 of the 18 companies generated revenues > £2 million (range £4 million - £570 million)
  - Median trailing pre-money revenue multiple of 2.91

- 6 of the 18 companies earned profits > £1 million (range £1 million - £10 million)
  - Median trailing pre-money P/E ratio and EBITDA multiple of 15.11 and 11.14

- Industry and geographic dispersion and financial profile of the 18 companies - pages 5 - 7
- Detailed descriptions and insights into the 18 companies - pages 8 and 9

	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
H1 2015	23	468	20
H2 2015	15	182	12
H1 2016	26	884	34
H2 2016	16	253	16
H1 2017	18	684	38
Total	**98**	**2,471**	**25**

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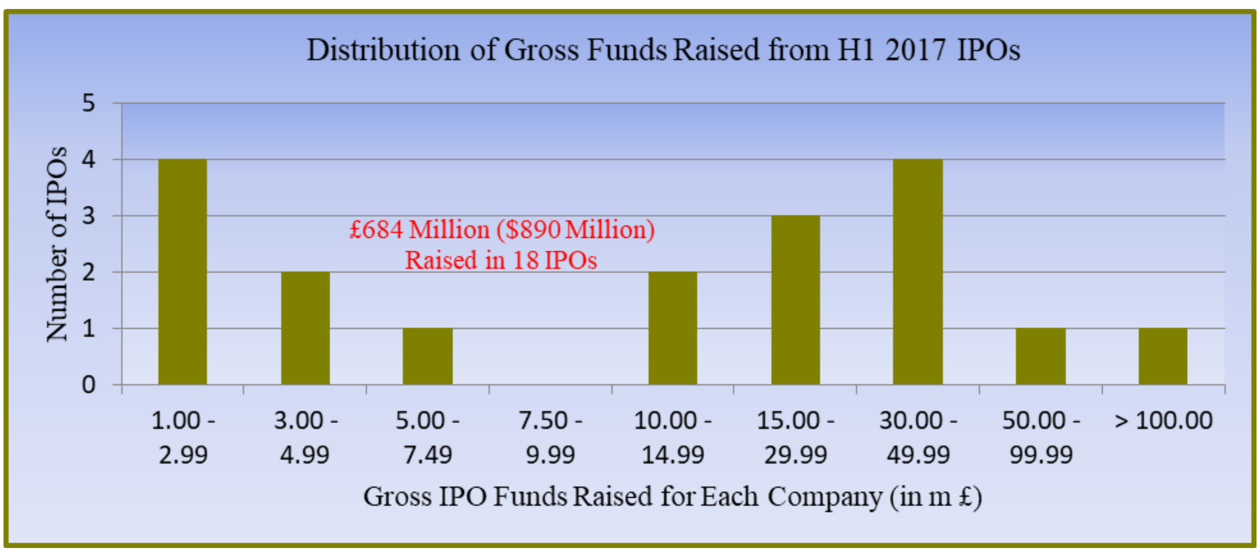
Since the London Stock Exchange launched AIM in 1995, an aggregate of £102 billion ($133 billion) has been raised for growth-oriented SMEs; £42 billion ($55 billion) for IPOs and £60 billion ($78 billion) for Secondary Offerings.

The table on the previous page shows that while the number of AIM IPOs only increased slightly from the second half of 2016 to the first half of 2017, the gross funds raised surged by 170%. Of particular note is the fact that four of the 18 IPOs were for U.S.-based companies and six of the 18 IPOs included meaningful liquidity events for selling shareholders who raised £346 million ($450 million), accounting for a record 51% of the total. This follows on from 2016 when selling shareholders raised £424 million ($551 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, oil and gas companies accounted for 28% of AIM IPOs during the first half of 2017 after essentially a three-year drought. All five oil and gas companies operate outside the UK with one based in the U.S. Financials accounted for 22%; two of the four were U.S.-based companies and none were Investing Companies. Industrials accounted for 16% with all three companies based in the UK. Two UK-based consumer goods companies completed AIM IPOs during the first half of 2017 for an 11% share. Basic materials (i.e. mining) also accounted for 11% with both companies operating outside the UK; one in Brazil and the other in the U.S. Finally, technology and healthcare each accounted for 6% with the technology company based in Israel and the healthcare company being a UK-based biotech.

The chart below provides the distribution of gross funds raised for AIM IPOs during the first half of 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 $130 million).



Of the aggregate gross funds raised, 49% was for the companies and 51% was for selling shareholders, which were present in six of the 18 IPOs, with all 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 £38.0 million ($49.4 million), the median was only £14.7 million ($19.1 million).

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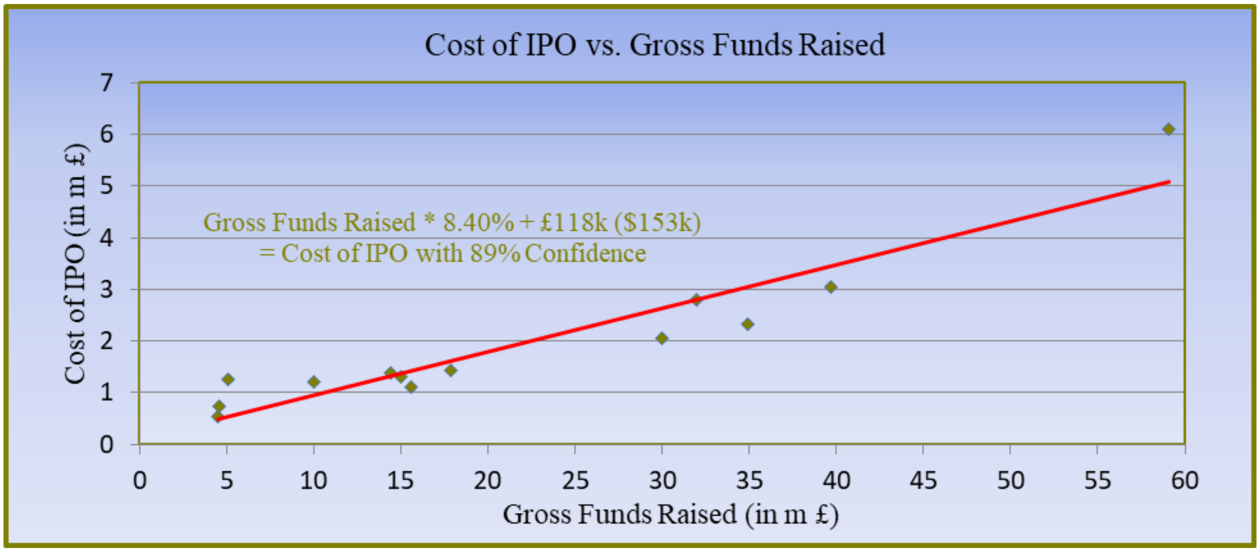
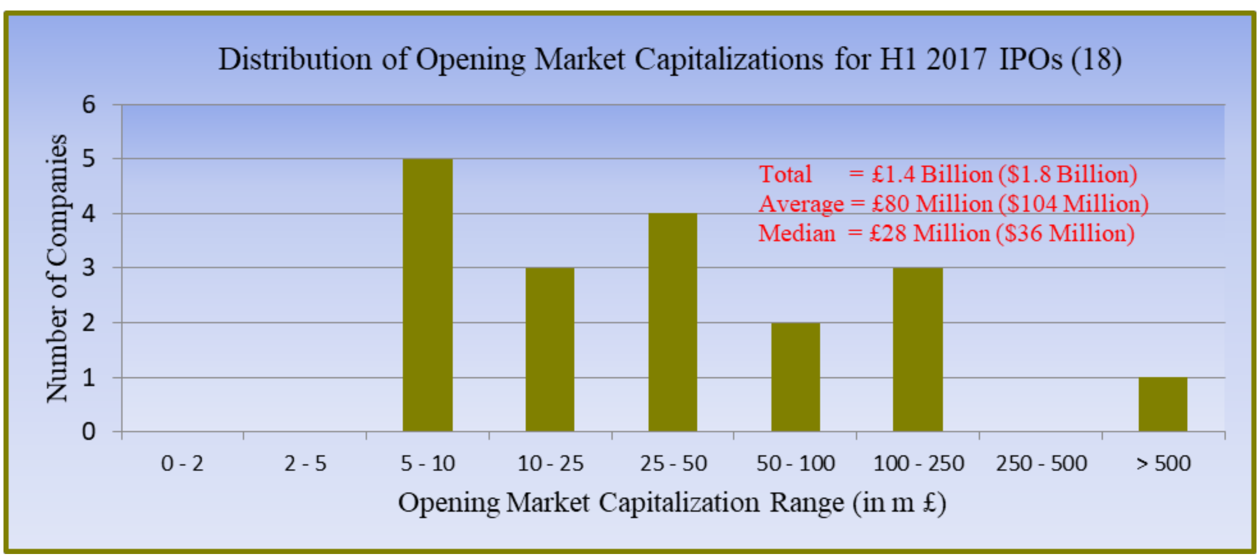
The equation in the chart below can be used to predict the cost of an AIM IPO with 89% confidence. The 13 data points represent the gross funds raised and associated costs for the IPOs that raised at least £3 million ($4 million) but not more than £100 million ($130 million). Since these 13 companies raised an average of £21.75 million ($28.28 million), the expected cost would be £1.95 million ($2.53 million) or 8.9% of the gross funds raised.



The average and median offering costs for all 18 AIM IPOs amounted to 15.3% and 10.0%, 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 £80 million ($104 million) whereas the median was £28 million ($36 million). The sweet spot for AIM IPO opening market capitalizations is typically between £10 million and £250 million ($13 million and $325 million).



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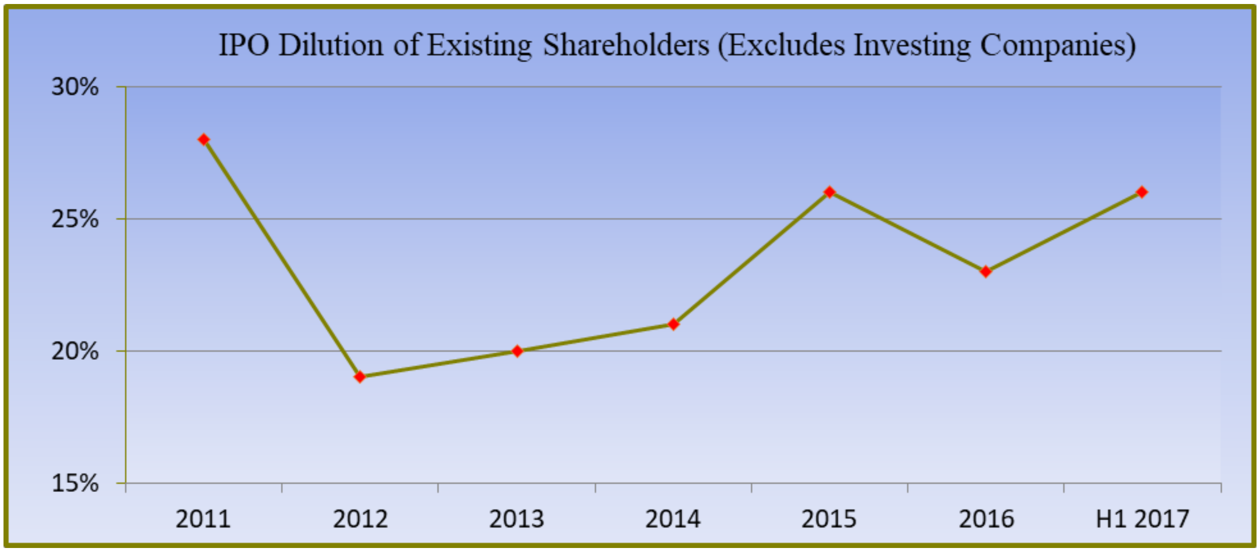
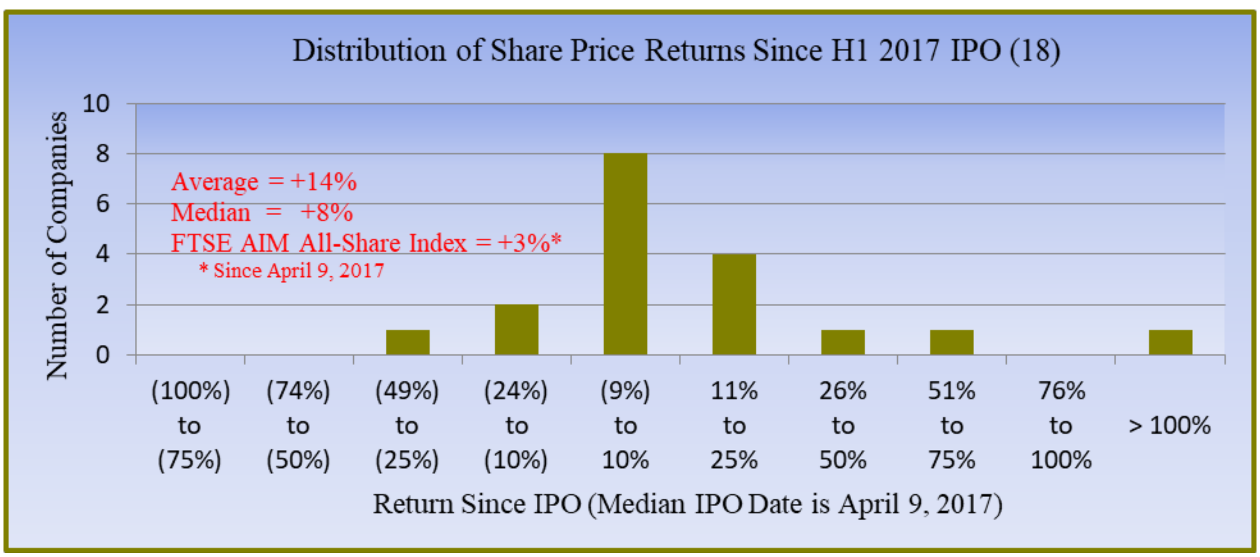
The chart below illustrates the IPO dilution of existing shareholders over the last six-and-a-half years. As expected, dilution decreased coming into the two-year bull market for AIM IPOs that began in 2013 and increased through 2015 as IPO activity slowed to allow the market to digest all of the new 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 the first half of 2017 through June 30, 2017. It should be noted that the median IPO date is April 9, 2017, therefore, the average and median returns of +14% and +8%, respectively, only represent, on average, the last 83 days of the first half of 2017. As a point-of-reference, the FTSE AIM All-Share Index rose by 14% during the first half of 2017 but only rose by 3% from April 9, 2017 through June 30, 2017; therefore, the relative performance of the 18 AIM IPOs has been quite strong. The average post-IPO free float was 48%.



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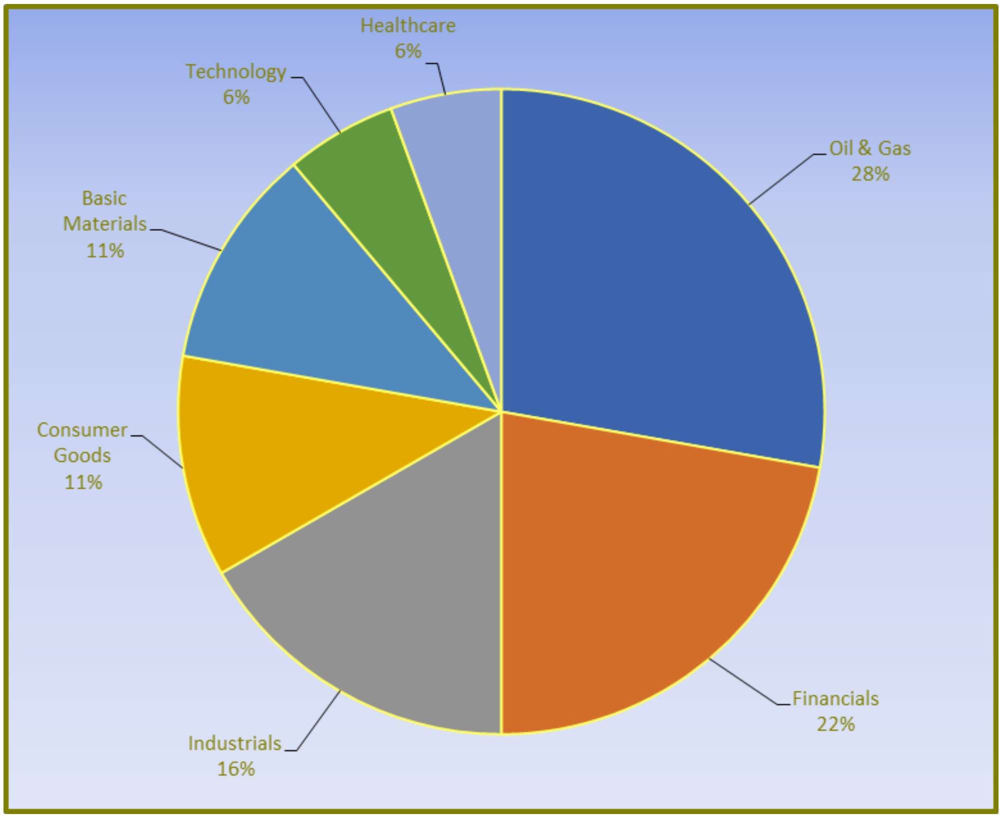
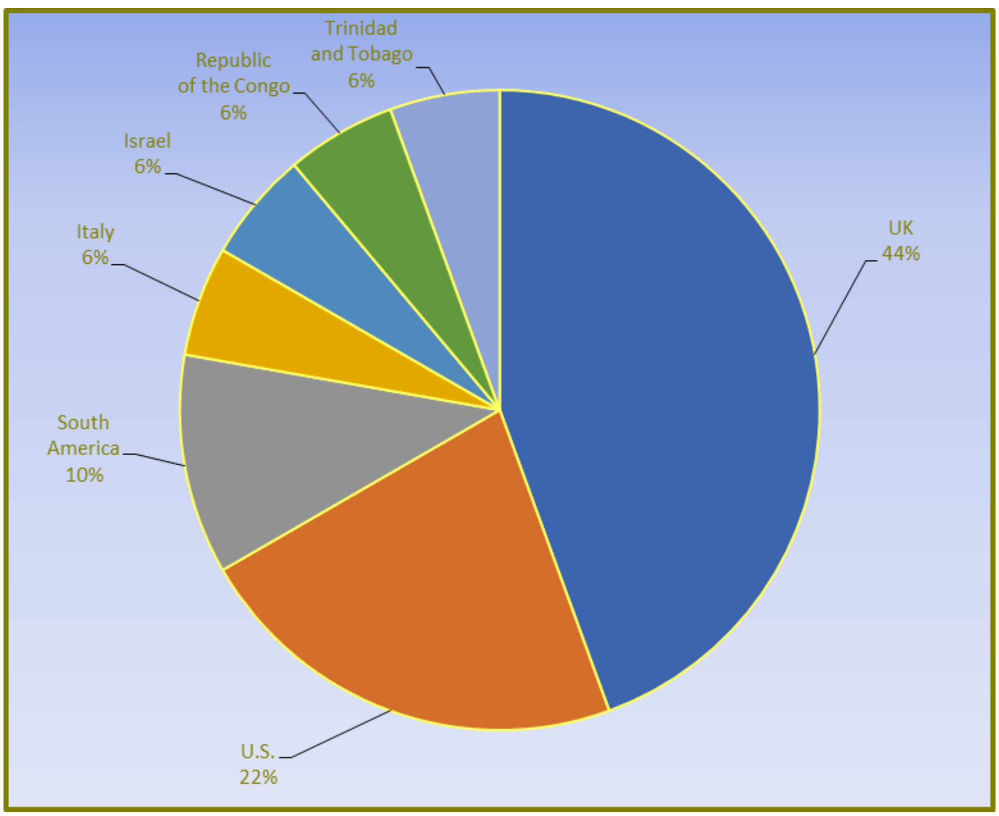
Industry and Geographic Dispersion and Revenue and Profitability Profile





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Revenue and Profitability*	UK (8)	U.S. (4)	South America (2)	Italy (1)	Israel (1)	Other (2)	**Totals (18)**
Oil & Gas (5)		1 SR	1 Neither	1 Neither		1 SR 1 Neither	2 SR 3 Neither
Financials (4)	2 SR & SP	2 SR & SP					4 SR & SP
Industrials (3)	2 SR & SP 1 SR						2 SR & SP 1 SR
Consumer Goods (2)	1 SR 1 Neither						1 SR 1 Neither
Basic Materials (2)		1 Neither	1 Neither				2 Neither
Technology (1)					1 Neither		1 Neither
Healthcare (1)	1 Neither						1 Neither
Totals (18)	4 SR & SP 2 SR 2 Neither	2 SR & SP 1 SR 1 Neither	2 Neither	1 Neither	1 Neither	1 SR 1 Neither	6 SR & SP 4 SR 8 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 the first half of 2017, only three super sectors were not represented with an IPO; Consumer Services, Telecommunications and Utilities. The first pie chart on the previous page illustrates the relative number of AIM IPOs in each of the seven represented super sectors. Since the classifications can be deceptive, the table at the end of this newsletter on pages 8 and 9 provides some detailed descriptions and insights into the individual companies.

From a sectoral perspective, oil and gas companies accounted for 28% of AIM IPOs during the first half of 2017 after essentially a three-year drought. All five oil and gas companies operate outside the UK with one based in the U.S. Financials accounted for 22%; two of the four were U.S.-based companies and none were Investing Companies. Industrials accounted for 16% with all three companies based in the UK. Two UK-based consumer goods companies completed AIM IPOs during the first half of 2017 for an 11% share. Basic materials (i.e. mining) also accounted for 11% with both companies operating outside the UK; one in Brazil and the other in the U.S. Finally, technology and healthcare each accounted for 6% with the technology company based in Israel and the healthcare company being a UK-based biotech.

The second pie chart on the previous page shows the main country of operation for the companies that completed IPOs on AIM during the first half of 2017. Unsurprisingly, the UK is the main place of operation for more AIM-listed companies than any other country. Approximately 64% of the 1,000 companies currently listed on AIM are based in the UK. During the depths of the global financial crisis in Europe, UK companies only accounted for 31% of AIM IPOs from 2010 - 2012. The healing process that began in Europe in 2013, and took firm hold in the UK, triggered the start of a two-year bull market for AIM IPOs with UK

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company participation bouncing back to expected levels, capturing 53%, 63%, 63% and 76% of AIM IPOs from 2013 - 2016. While there are not enough data points during the first half of 2017 to draw firm conclusions, it appears as if the UK General Election dampened AIM IPO activity for UK companies since they only accounted for 44% of the total.

Of the 18 companies that completed AIM IPOs during the first half of 2017, 10 (56%) 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 - $741 million). The average trailing pre-money revenue multiple was 3.81 and the median was 2.91. Of the 10 companies that generated significant revenues, six (60%) earned significant profits (i.e. > £1 million or $1 million), with the range being £1 million - £10 million ($1 million - $13million). The average trailing pre-money P/E ratio and EBITDA multiple for the six companies that earned significant profits was 41.39 and 22.60, respectively, and the medians were 15.11 and 11.14.

Of the eight UK companies that completed AIM IPOs during the first half of 2017, six (75%) generated significant revenues during their most recent financial year. Of these six companies, four (67%) earned significant profits. The comparative metrics for 2016 were 66% and 57%, respectively, indicating that investors during the first half of 2017 wanted to see a little more commercial traction and a little more profitability, although, there aren't enough data points to draw firm conclusions.

Of the 10 companies from outside the UK that completed AIM IPOs during the first half of 2017, four (40%) generated significant revenues. Of these four companies, two (50%) 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 longer for significant profits, although, there aren't enough data points to draw firm conclusions.

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 the first half of 2017. Only one company utilized the fast track route during 2016 via the Australian Securities Exchange (ASX) and only one company did so during the first half of 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.

No company that completed its IPO on AIM during 2016 or the first half of 2017 migrated to AIM from the UK's NEX Exchange (formerly ISDX, PLUS and OFEX). From 2011 - 2015, 22 of the 272 companies that completed IPOs on AIM were previously listed on what is now NEX.

A final point to note during the first half of 2017 is that one company dual listed on AIM from the TSX Venture Exchange (Toronto).

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Oil & Gas (5)	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 is Northern Italy near Milan and Bologna, one has near offshore oil-producing assets in the Republic of the Congo and 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
Financials (4)	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-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 and 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
Industrials (3)	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 and 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
Consumer Goods (2)	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 and 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 (manufacturing and fulfilment) being outsourced

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Basic Materials (2)	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 and 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
Technology (1)	This Israeli-based company 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
Healthcare (1)	This company 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