The London Stock Exchange's AIM (LSE AIM) Overview Presentation - 2017

AIM Advisers, Inc.
Maximizing Present & Future Value

Mark McGowan
Managing Director
AIM Advisers, Inc.
1223 Wilshire Blvd., Suite 1855
Santa Monica, California 90403
mmcgowan@aimadvisers.com
+1 310 903 0322

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Background of AIM Advisers

- AIM-focused consultant with a track record spanning 15 years

- Former CFO of U.S.-based, AIM-listed DDD Group plc
  - Helped take public on AIM in 2002
  - Became CFO in 2003
  - Secured Japanese strategic investor in 2004
  - Engaged London-based independent equity research firm in 2005
  - Changed Nominated Adviser and Nominated Broker in 2004 and 2007

- CPA since 1993
  - Worked in public accounting
    - Small firm in Philadelphia
    - Grant Thornton Los Angeles
    - Grant Thornton Hong Kong and Grant Thornton International's Asia-Pacific Division

- MBA from UCLA Anderson in 2003

- 360° knowledge of AIM and excellent, long-standing relationships with the entire AIM ecosystem
  - Virtually all of the 40 Nominated Advisers and 80 Nominated Brokers
  - Half-dozen independent equity research firms and 20 financial PR/IR firms
  - Dozens of cross-border law and accountancy firms
  - Company secretaries, registrars and printers
  - The London Stock Exchange's 'AIM Team'

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What is AIM and What Types of Companies List on AIM?

- Established in 1995 by the London Stock Exchange for growth-oriented SMEs to raise capital
  - AIM is an “exchange regulated market”, therefore, no external regulator
  - LSE delegates much of its regulatory authority to Nominated Advisers who it licenses and monitors
  - Nominated Advisers, or “Nomads”, are generally boutique investment banks or other professional firms
  - Nomads owe their sole duty to the LSE, although they are retained and paid by the company
  - The goal is moderate and balanced regulation, not one-size-fits-all

- 3,700 companies have raised £100 Billion ($125 Billion) on AIM since 1995
  - £42 Billion ($52 Billion) from IPOs
  - £58 Billion ($73 Billion) from Secondary Offerings

- AIM consistently raises over £5 Billion ($6 Billion) each year

	IPO Funds Raised (in £ millions)	Secondary Offering Funds Raised (in £ millions)	Total Funds Raised (in £ millions)
2015	650	4,936	5,586
2016	1,137	4,056	5,193
Total	**1,787**	**8,992**	**10,779**

- 42 IPOs in 2016 raised an average of £27 Million ($34 Million), 37% for Selling Shareholders

Significant capital can be raised on AIM at IPO and in the aftermarket

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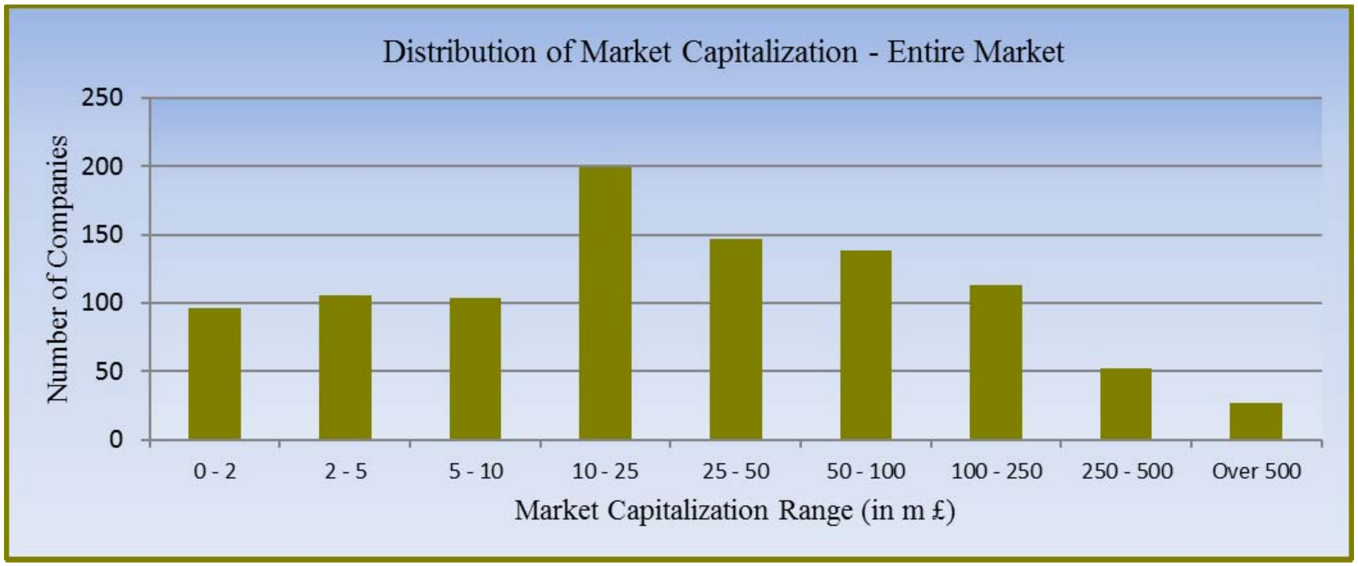
What is AIM and What Types of Companies List on AIM?

- AIM currently consists of 1,000 companies
  - Aggregate market capitalization of £81 Billion ($101 Billion)
  - Average market capitalization of £81 Million ($101 Million), median is £23 Million ($29 Million)
  - 61% falling between £10 Million and £250 Million ($13 Million and $313 Million)



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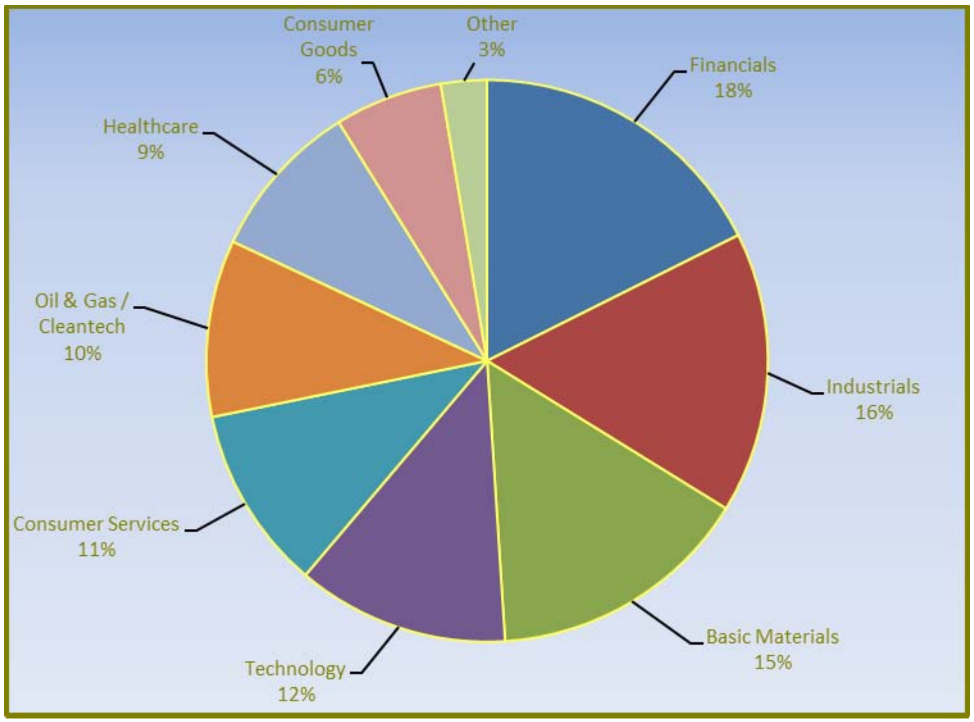
What is AIM and What Types of Companies List on AIM?

- The sectors in which AIM-listed companies operate are quite diverse
  - With the exception of basic materials (mining) and oil and gas, some advanced technology is inherent in most



AIM is a large, mature market with a wide range of companies

Most are 'growth-oriented' with some international scope

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Who are the Largest Investors in AIM?

Investor*	Value**	Number	Avg.**		Investor*	Value**	Number	Avg.**
Invesco	$2,629	76	$34.60		FIL	$676	94	$7.19
Hargreave Hale	2,143	461	4.65		Capital Research	660	16	41.25
Woodford	1,709	37	46.20		Artemis	630	111	5.68
Schroders	1,430	128	11.17		Hargreaves Lansdown	613	405	1.51
Octopus	1,132	136	8.33		River & Mercantile	551	75	7.35
BlackRock	1,119	123	9.10		J.P. Morgan	484	62	7.80
Liontrust	1,112	84	13.23		Majedie	427	55	7.76
Old Mutual	1,054	61	17.28		M&G	409	68	6.02
Baillie Gifford	987	63	15.67		Rathbone	389	282	1.38
Standard Life	982	146	6.73		Aviva	380	51	7.46
Henderson	977	204	4.79		Legal & General	376	88	4.28
Miton	815	153	5.33		Herald	367	110	3.33
Investec Wealth	768	318	2.42		Lansdowne Partners	361	17	21.22
AXA	717	121	5.92		Investec Asset	326	58	5.63
Barclays	692	408	1.70		Ruffer	326	80	4.07

* Excludes nominee accounts
** In millions of US$ as of December 31, 2016

‘Blue Chip’ investment management, pension and insurance funds dominate the top 30 but 44%/56% split of institutional and retail investors

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U.S. Companies Listed on AIM

- U.S. companies are by far the largest foreign contingent on AIM

United Kingdom	650
United States	47
China	25
Australia	24
Ireland	21
India	16
South Africa	16
Israel	13
Canada	11
Russia	10
Other	167
Total	**1,000**

35% of AIM-listed companies are from outside the U.K.

British professionals and investors are very internationally focused

- U.S. companies have outperformed the FTSE AIM All-Share Index in eight of the last 10 years

	U.S. Companies Listed on AIM	FTSE AIM All-Share Index
2015	+ 38%	+ 5%
2016	+66%	+14%

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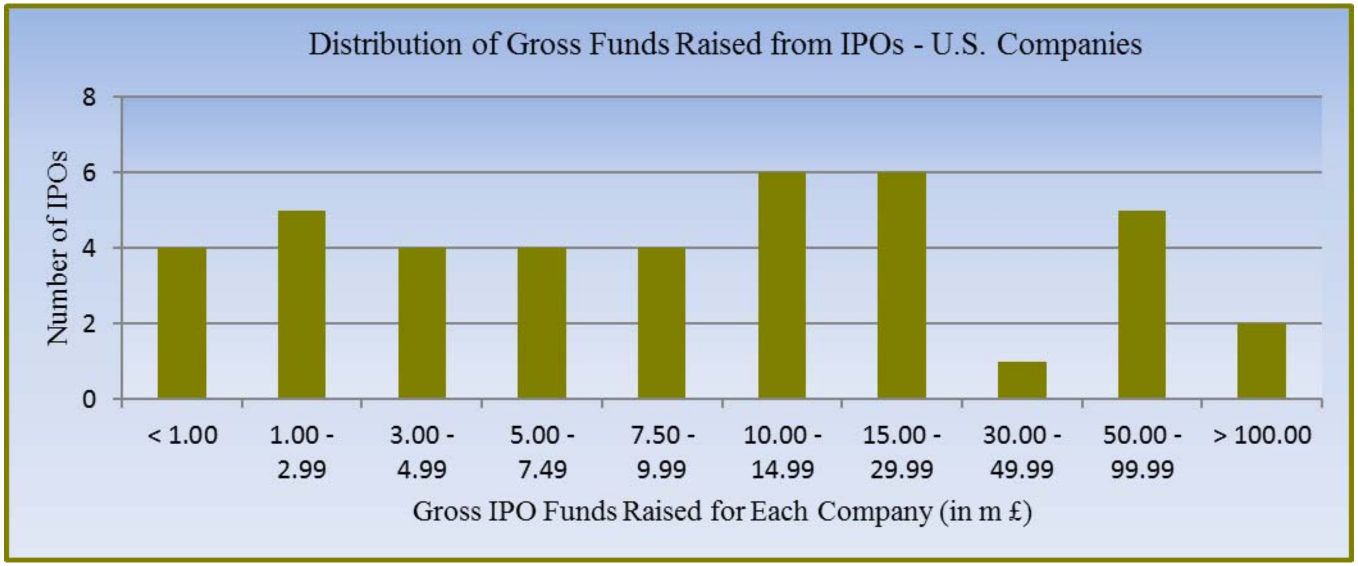
U.S. Companies Listed on AIM

- Of the 47 U.S. companies on AIM, 41 joined via IPO and have raised an aggregate of £1.0 Billion ($1.3 Billion) for the company and selling shareholders in the AIM IPO
  - Average of £24 Million ($30 Million), median is £10 Million ($13 Million)
  - 73% raise between £3 Million ($4 Million) and £100 Million ($125 Million)



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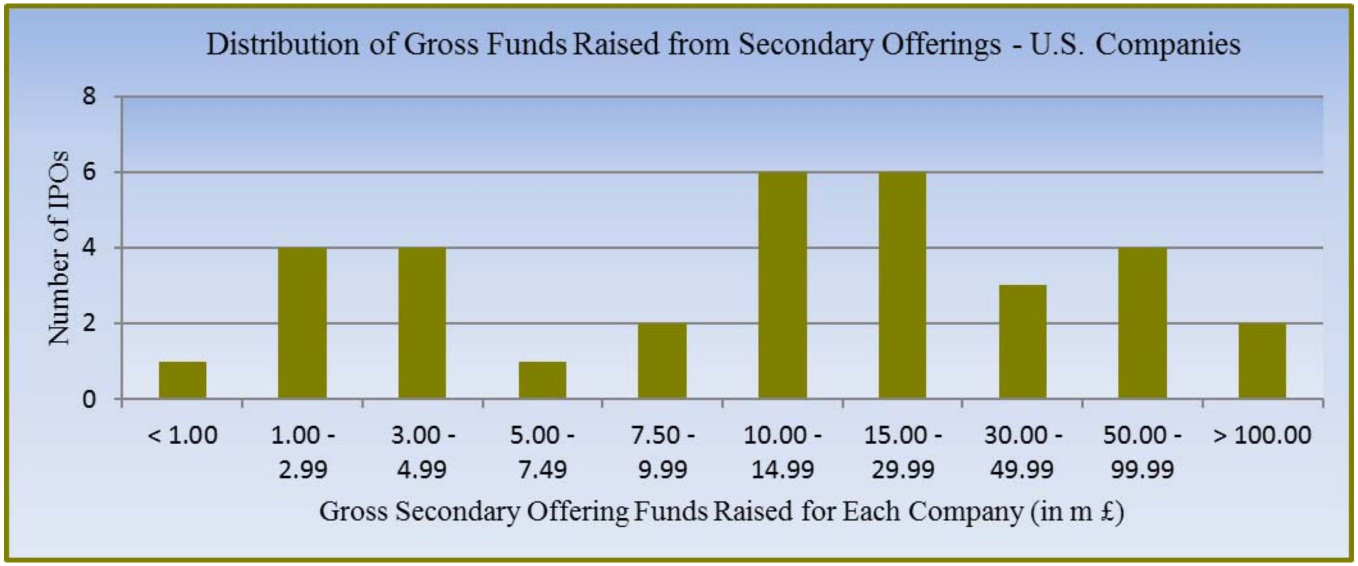
U.S. Companies Listed on AIM

- Of the 47 U.S. companies on AIM, 33 have also raised an aggregate of £0.9 Billion ($1.1 Billion) from Secondary Offerings
  - Average of £26 Million ($33 Million), median is £12 Million ($15 Million)
  - 79% raise between £3 Million ($4 Million) and £100 Million ($125 Million)
  - Half of all companies listed on AIM complete a secondary offering each year



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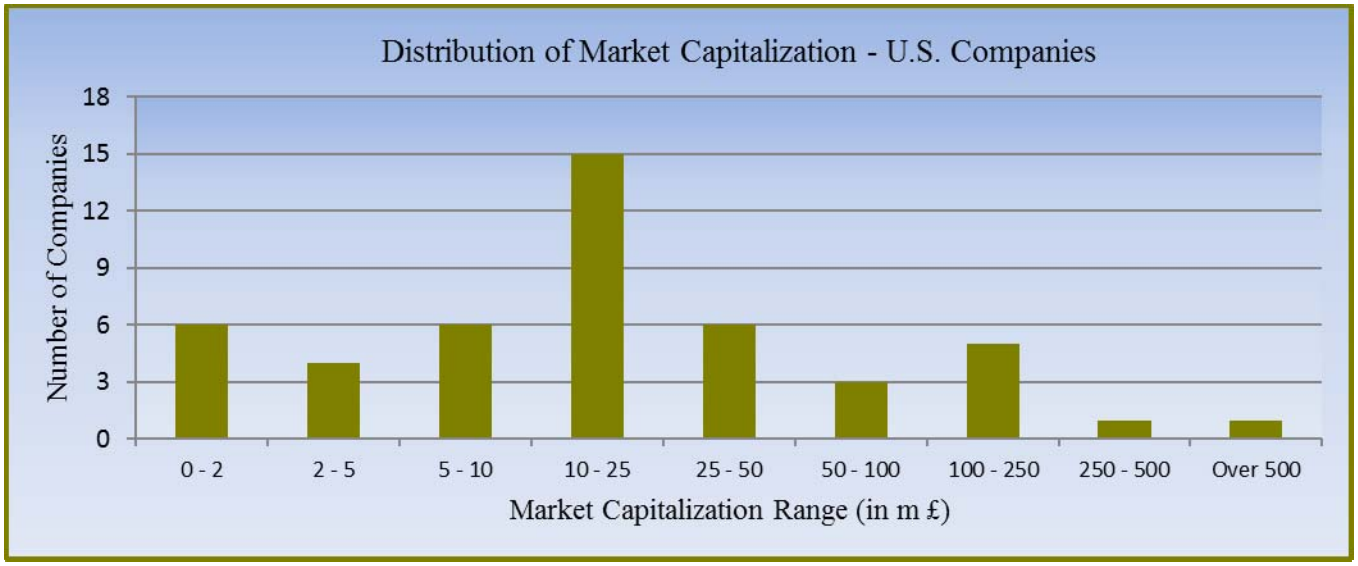
U.S. Companies Listed on AIM

- The 47 U.S. companies listed on AIM have an:
  - Aggregate market capitalization of £3.2 Billion ($4.0 Billion)
  - Average market capitalization of £68 Million ($85 Million), median is £13 Million ($16 Million)
  - With 62% falling between £10 Million ($13 Million) and £250 Million ($313 Million)



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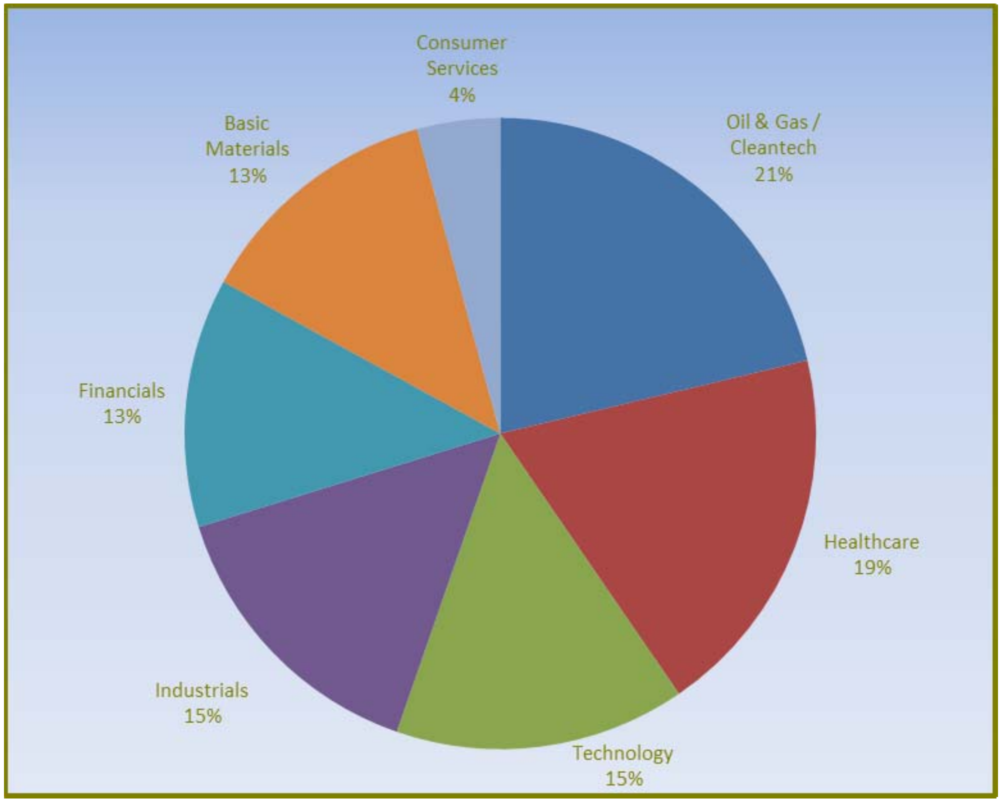
U.S. Companies Listed on AIM

- The 47 U.S. companies listed on AIM are quite diverse and operate in seven of the 10 super sectors
  - Classifications can be deceptive since many of these businesses are 'technology-enabled'
  - Cleantech, biopharma, medical devices, healthcare IT, aquaculture, agtech, clean water, industrial technology, enterprise and consumer software, internet technologies, B2C and B2B technologies, general finance, etc.



Typically 'growth-oriented' and international with IP, know-how and trade secrets

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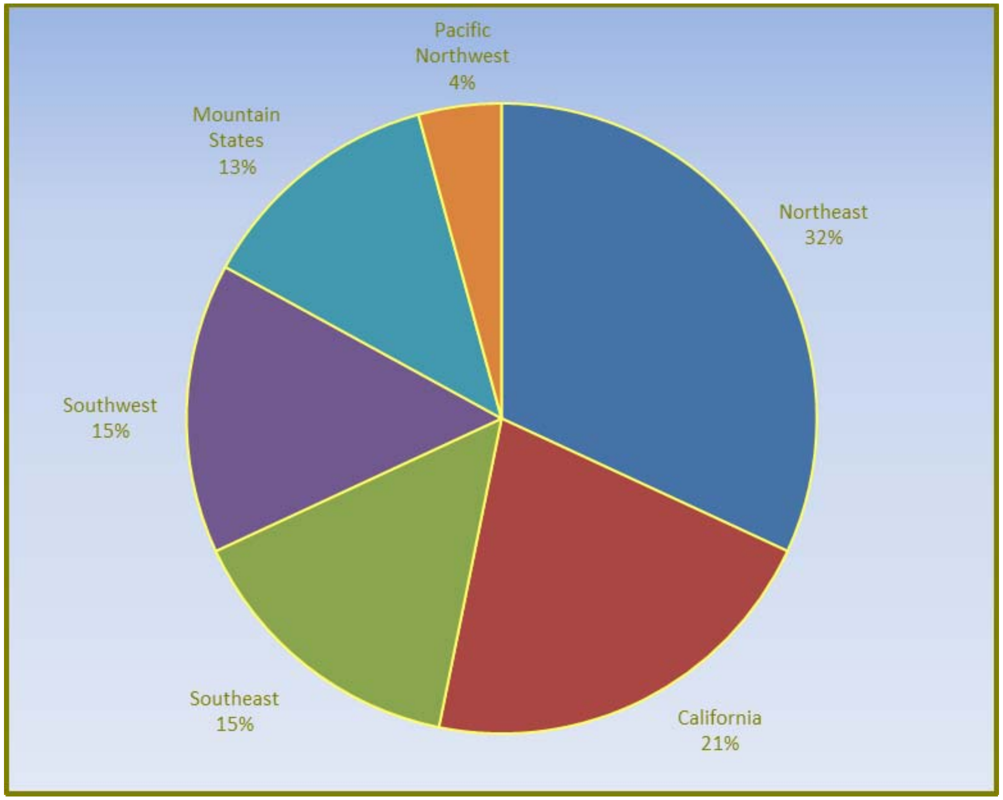
U.S. Companies Listed on AIM

- The main place of operation for the 47 U.S. companies listed on AIM is where one would expect
  - Northeast and California; healthcare, financials, technology-enabled industrials and pure play technology
  - Southwest and Mountain States; oil and gas E&P and oil and gas field technology services and mining
  - Southeast; agtech in North Carolina, clean water and enterprise software in Georgia and Florida



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Why Do U.S. Companies List on AIM?

- There are many reasons why U.S. companies decide to list on AIM, some of which are unique to AIM and some of which are not
  - Financial
    - Raise cash to fund existing operations through to profitability
    - Raise cash to fund organic growth and/or acquisitions
    - Raise cash to fund international growth, preferably UK/EU
  - Strategic
    - Create a liquid currency in shares for acquisitions
    - Diversify the shareholder base across many large institutional investors with deep pockets
    - Exit, partial or otherwise, of existing shareholders
    - Recapitalize the balance sheet by swapping debt for equity
    - Establish a market value for the company if the longer term strategy is to be acquired
    - Prepare the company for a dual or primary listing on NASDAQ
  - External
    - Regulatory environment is more appropriate for the company's size and stage-of-development
    - Attract an appropriate shareholder base and equity research following
    - Bolster confidence with current and prospective business partners
    - Attract, retain and incentivize employees and the board with shares and/or options

- In the current banking environment, opportunistic companies may access equity financing to:
  - Continue with their organic and/or acquisitive growth plans
  - Swap debt for equity to deleverage; reducing risk and interest expense
  - Use their new public shares to affect acquisitions of weak competitors that have:
    - Valuable IP
    - Rich customer lists
    - High quality employees

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How AIM Works and the Key Professional Advisers

- The listing requirements are non-prescriptive
  - No minimum public float
  - No minimum initial equity
  - No minimum market capitalization
  - No minimum level of profitability
  - Company doesn't even have to have a trading (i.e. operating) history
  - Once listed, no minimum share price or market capitalization requirements
- Listing on AIM is almost as hard as listing on NASDAQ
  - Rigorous financial and operational due diligence
  - Rigorous legal due diligence
  - Nominated Advisers put companies 'through the paces'; they're on the hook to the LSE
  - Very different regulatory model than the U.S.
  - Nominated Brokers are very discerning; they work on a success basis
- But on-going obligations are very straightforward
  - Half-yearly, management prepared, financials disseminated through the LSE's Regulatory News Service
  - Annual audited financials included in Annual Report and sent to shareholder along with voting materials
  - Notification of new developments that would likely lead to a substantial movement in the share price
    - Change in financial condition, sphere of activity, performance, or expectation of performance, of the business
  - Changes in shareholdings by Directors
  - Changes in shareholdings by significant shareholders (+3%) breaching a full percentage point
  - Change of Nominated Adviser or Nominated Broker
  - Substantial transactions (>10%)
  - Issuance of additional debt or equity securities

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How AIM Works and the Key Professional Advisers

- Nominated Adviser or "Nomad" - 40 London-based firms provide this service
  - One must be retained at all times
  - Solely responsible for determining the suitability of companies seeking admission to AIM
  - Guides the company through the IPO and orchestrates the due diligence work of the lawyer and accountant
  - On an on-going basis:
    - Ensures company complies with the AIM Rules for Companies
    - Reviews and advises on the nature and form of regulatory announcements
    - Provides advice on business strategies and general market conditions
- Nominated Broker - 80 London-based firms provide this service
  - One must be retained at all times
  - Introduces the company to appropriate Institutions, PCBs and HNWIs
  - Supports the IPO with the publication of equity research
  - Sizes and prices the IPO in consultation with the company
  - On an on-going basis:
    - Makes a market in the company's shares
    - Publishes additional research
    - Provides advice on general market conditions
    - Assists with secondary offerings
- Lawyer
  - Typically drafts the Admission Document, with the assistance of the company and Nominated Adviser
  - Carries out legal due diligence, including verification of Admission Document, at the direction of the Nomad
  - Advises on structuring, taxation, share options, etc.
  - Helps negotiate placing agreement with the Nominated Broker

The Nomad and Broker are the company's most important advisers and are often the same firm but consider separating these roles and/or appointing Joint Brokers

It is crucial to appoint the Nomad and the Broker before any other advisers (i.e. lawyers and accountants), otherwise a company's choices may be severely restricted

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How AIM Works and the Key Professional Advisers

- Auditor
  - Issues an opinion on the company's historic financial statements
    - Three years or from inception, whichever is shorter
    - Audited financials go stale after nine months
    - U.S. GAAP or IFRS depending upon place of domicile
    - Any stable currency

The Reporting Accountant role is unique and does not have to be carried out by the U.K. affiliate of the U.S. Auditor

- Reporting Accountant
  - Carries out financial and operational due diligence, at the direction of the Nominated Adviser
  - Produces four reports addressed to the Nominated Adviser and the Directors:
    - Long Form - A private report which covers the financial and operational history of the company
    - Short Form - Condensed historic financials, and perhaps pro forma financials, for inclusion in Admission Document
    - Adequacy of Financial Reporting Systems - A private report on the company's internal controls
    - Working Capital - Verification and stress test of financial model and assumptions; IPO funds must cover at least 12 months
  - The Reporting Accountant has no on-going role but the Auditor, of course, does

- Independent Equity Research (not required, but strongly suggested)
  - Augments the Nominated Broker's research in support of the IPO and provides on-going coverage
  - Can help with introductions to prospective investors at the time of the IPO and/or in the aftermarket

- Financial PR/IR (not required, but strongly suggested)
  - Advises market-facing executives on how to interact with investors, the financial press and the media
  - On an on-going basis:
    - Provides consultation on the nature and form of commercial and regulatory announcements
    - Actively engages with opinion makers and thought leaders amongst the financial press and industry specific media

Representative AIM IPO Capital Raise and Costs

Category	Description	Amount
Gross Capital Raised	£16,000,000 for the company and £8,000,000 for selling shareholders*	£24,000,000
Nominated Adviser	IPO oversight and regulatory obligations	150,000
Nominated Broker	Capital raising commission @ 4% (range of 3% - 5%)	960,000
Lawyer**	DD, Admission Document, agreements, presentation, announcements	250,000
Reporting Accountant**	Four Reports	150,000
Auditor**	Audit of financial statements	80,000
Independent Equity Res.	Pre-IPO research	60,000
Financial PR/IR	Media training, financial and trade press coverage and announcements	40,000
Miscellaneous	Printing, AIM admission fee and out-of-pocket expenses	30,000
Net Capital Raised	Transaction Costs Approximate 7.17%	£22,280,000

* Financial investors can typically exit entirely at the time of the IPO and insiders / executive management can typically sell down 20 - 25% of their holdings, all on a case-by-case basis. A free float of at least 25% is desirable with 50% being ideal so as to increase the chance of achieving strong aftermarket liquidity and the derivation of a 'fair' share price / market cap.

** Work and fees are typically split 50/50 between US/UK advisers given the US advisers' historic knowledge and proximity.

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AIM Compared to NASDAQ

- AIM and NASDAQ are psychologically competitive but should be viewed as complementary
  - Average market capitalization on NASDAQ is $2.2 Billion
  - Average market capitalization on AIM is $101 Million
  - Transition point is around a market capitalization of $500 Million

AIM provides a 3 - 5 year bridge to grow from $30 - $500 Million

- Many companies list on NASDAQ too early
  - 75% of the companies on NASDAQ have market capitalizations below $500 Million
  - 65% of those companies have no research coverage, whereas 80% of AIM-listed companies are covered
  - U.S. investors don't know of or care about these 'small' companies
  - Regulatory burden on NASDAQ is disproportionate to the size of the company
- Valuation and liquidity on NASDAQ are generally better but need to be considered in light of:
  - Internal and external maintenance costs of listing
    - NASDAQ is $2 - $3 Million per year
    - Exchange Act and SOX impose a high regulatory burden on NASDAQ
    - AIM is £200 - £300 Thousand ($250 - $375 Thousand) per year
    - AIM Rules for Companies impose a moderate regulatory burden on AIM
  - Dilution
    - Generally a bit more at IPO on AIM
    - Generally about the same after the company proves itself and accesses AIM's deep secondary offering market
  - Ability to use public shares as a currency for acquisitions
    - Liquidity on AIM averages 4% per month
    - Liquidity on NASDAQ averages 12% per month for companies with market capitalizations below $500 Million
    - Liquidity on NASDAQ is solidly above 20% per month at market capitalizations above $500 Million

Proper choice of Nominated Adviser, Nominated Broker(s), Independent Equity Research firm and Financial PR/IR firm are the keys to a successful IPO and to maximizing valuation and liquidity

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AIM Compared to VC/PE Financing and Banking Facilities

- AIM is competitive with, and complementary to, VC/PE financing and significant banking facilities
- Benefits of AIM
  - Diversifies the shareholder base across many large institutional investors with deep pockets
  - Allows management to retain operational and Board-level control
  - All other things being equal, valuation is higher because of liquidity
  - Creates a liquid currency in shares for acquisitions
  - Bolsters confidence with customers, partners and suppliers
  - Helps attract, retain and incentivize employees and the Board with shares and/or options
  - Establishes a publicly derived market value as a starting point for acquisition discussions
- Benefits of VC/PE financing and significant banking facilities
  - Less time consuming
  - Less expensive in terms of transactional costs
  - No regulatory burden, other than perhaps debt covenants
  - Strategic input from, and access to a network of commercial contacts with, some VC/PE firms
- Complementary aspects
  - VC/PE firm exits via AIM IPO
  - VC/PE firm either can't or doesn't want to fund the next stage of growth and uses AIM
    - Exits in 1 - 3 years as part of an organized secondary offering
    - Or holds and continues to help the company grow to $500 Million for a dual or primary listing on NASDAQ
  - Swap debt for equity to deleverage; reducing risk and interest expense
  - Optimize the capital structure (WACC) with equity sitting alongside debt

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Is Your Company Suitable for an AIM IPO?

- Quantitative criteria
  - Generating at least £2 Million ($3 Million) of annual revenue
  - 'Growth-oriented', defined as growing revenues and/or profits by at least 20% per year
  - Minimum opening market capitalization of £10 Million ($13 Million)
  - Doesn't necessarily have to be profitable but must have a very clear path to profitability
  - Valued using 5-year DCF model, revenue multiple, EBITDA multiple and/or P/E ratio
- Qualitative criteria
  - International scope to the business (sales and/or operations), current or post IPO, preferably UK/EU
  - Outstanding management team with a demonstrable track record
  - Solid Board of Directors, or the ability to formulate one during the IPO process
  - Willingness and ability to be subjected to an appropriate level of due diligence
  - Sound internal controls and good corporate governance, or willingness to put in place
- Other criteria
  - Reasonable valuation expectations, taking a 3 - 5 year view where the IPO is the beginning not the end
  - High quality professional advisers, companies are judged by the company they keep
  - Appreciation of the obligations a public company has to all stakeholders

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AIM Advisers' Services - Prospective New AIM Entrants

Unlike a U.S. IPO, where there is a short list of similar investment banking firms, Nominated Advisers and Nominated Brokers are plentiful and do not form a homogeneous group. Each tend to focus on certain sectors and on certain size companies where they have relevant connections within the London investment community and equity research analysts to support an AIM IPO.

- Preliminary determination of suitability for an AIM IPO
  - The crucial first step
  - Advice is frank and constructive
    - Yes, let's proceed to the next step
    - Maybe, here's what I'd like to know to make a determination of suitability
    - No, here's what the company needs to do to potentially become suitable
  - Saves companies time, money and derisks the process / increases the chance of success

- Packaging up the opportunity for presentation to Nominated Advisers and Nominated Brokers
  - Preparation of AIM-tailored documents and/or PowerPoint presentations
  - Company reviews and edits for messaging, completeness and accuracy

- Nominated Adviser and Nominated Broker(s) Selection
  - There are 40 Nominated Advisers and 80 Nominated Brokers
  - I've built excellent, long-standing relationships with virtually all over the last 15 years
  - Arrange conference calls with the most suitable Nomads and Brokers as an efficient, cost-effective first step
  - If positive, face-to-face meetings in London
  - If positive, a brief test marketing exercise with investors may be desirable to more precisely assess appetite
  - If positive, negotiate with the interested Nomads and Brokers and engage with the final candidate(s)

AIM Advisers does not receive referred work from the Nomads and Brokers
Approach is agnostic, setting up the competitive process for the company

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AIM Advisers' Services - Prospective New AIM Entrants

When a Nominated Adviser and a Nominated Broker(s) have been appointed, then there's an actual transaction to work on and I can provide a number of services to help a company through an AIM IPO

- Assembling the Team & Strategic Advisory
  - Short listing of and introductions to the other member of the working group
    - Lawyers on both sides of the Atlantic
    - Auditors in the U.S.
    - Reporting Accountants in the U.K.
    - Independent Equity Research firms
    - Financial PR/IR firms
    - Company Secretaries
    - Registrars
    - Printers
  - Oversight, strategic advice and participation in weekly working group conference calls and/or meetings

It is crucial that a U.S. company seeking a listing on AIM thoroughly investigates all of its options with respect to its various professional advisers. These advisers are often the key factor to a successful IPO and to success in the aftermarket.

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AIM Advisers' Services - Prospective New AIM Entrants

- Investment Case
  - Creation, or bolstering, of the financial model and supporting business case
  - Oversight of house and/or independent equity research
  - Creation of the investor presentation for the roadshow
  - Assisting the company and the Nominated Broker(s) with sizing and pricing the AIM IPO with reference to likely prospective investor reaction

Companies get one chance to present their investment case to prospective investors, therefore, it is important that it be sound, well thought out and supported by as many facts as possible. Being viewed by prospective investors as balanced and reasonable builds credibility and assists in their risk / reward analysis and investment decision.

- Accounting & Auditing
  - Assessment and documentation of internal controls
  - Assisting the Reporting Accountant with their four reports
  - Preparing internal management accounts for audit
  - Preparing supporting schedules and gathering documents for audit and inclusion in the Admission Document
  - Preparing U.S. GAAP or IFRS financial statements for audit and inclusion in the Admission Document
  - Liaising with the Auditor in connection with their detailed fieldwork

For those companies that have not been subjected to audits in prior years, this will be a significant exercise since three years of audited financial statements are required. For companies that have been subjected to audits in prior years, it's not necessary to change your U.S. Auditor; however, a U.K. Reporting Accountant must be engaged.

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AIM Advisers' Services - Prospective New AIM Entrants

- Legal
  - Gathering, reviewing and summarizing documents for the Attorneys
  - Assisting the company, Attorneys and Nominated Adviser with drafting the Admission Document
  - Assisting the Attorneys with verifying the Admission Document, as directed by the Nominated Adviser

The verification process is quite extensive and requires supporting evidence for all statements of fact and representations from the Directors as to why they believe statements of opinion to be true. Proper preparation and drafting of the Admission Document in the first instance can save a significant amount of time and cost.

- Ongoing Advisory
  - Advising on the timing and size of secondary offerings and other strategic decisions
  - Advising on communications with the Nominated Adviser, Nominated Broker(s) and Investors
  - Oversight of house and/or independent equity research
  - Advising on the form and content of commercial and regulatory announcements
  - Advising on the performance of the company's professional advisers

After having been engaged, to a greater or lesser extent, in a company's AIM listing, I will have a vast repository of knowledge about the company, its professional advisers, investor base and the multitude of personalities involved. Admission to AIM signifies the beginning of life as a public company.

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AIM Advisers' Services - Existing AIM-Listed Companies

The 47 U.S. companies listed on AIM have undoubtedly had very different experiences since joining AIM; however, there are some commonalities amongst those that face challenges.

Having spent the last 15 years as a consultant focused on helping growth-oriented, U.S.-based companies complete IPOs on AIM and as the CFO of a U.S.-based, AIM-listed company, I have personally addressed the main challenges by leading the post-IPO change of Nominated Adviser and Nominated Broker on two occasions, by completing three secondary offerings and by engaging a firm to write independent equity research.

In addition to the ongoing advisory services I provide to prospective new entrants to AIM, there are three main services I provide to those with whom I was not engaged at the time of the IPO as follows:

- Introductions to London-based firms that write independent equity research
  - Particularly useful if the Nominated Broker is no longer providing coverage
  - Power of independent equity research lies in its:
    - Wide distribution, as opposed to the Nominated Broker's more narrow distribution to their trading clients
    - Ability to analyze the readership download activity
  - Proactively address Institutional, Private Client Broker and High-Net-Worth Individual readership
  - Organize targeted secondary offerings
  - Increase liquidity

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AIM Advisers' Services - Existing AIM-Listed Companies

- Liquidity studies
  - Liquidity is necessary in order to obtain a fair valuation
  - Key benefits of positive liquidity are:
    - Investors are satisfied with their returns
    - Less dilution from secondary offerings
    - Attractiveness of shares to acquisition targets
    - Increased morale and excitement from employees and board who often own shares and/or hold share options
  - Reasons for lack of liquidity are often company specific and not obvious
  - Work with management, the board and other professional advisers to formulate actionable solutions

- Board / Audit Committee appointments
  - AIM-focused consultant for 15 years
  - Former CFO of a U.S.-based, AIM-listed company
  - CPA since 1993
  - MBA since 2003
  - International living and working experience; Hong Kong / Asia-Pacific, 1998 - 2000
  - Qualified under the U.K. Corporate Governance Code as "having recent and relevant financial experience"

AIM Advisers, Inc.
Maximizing Present & Future Value

Appendix

- Recent U.S. AIM IPOs
  - Filta, LoopUp, MaxCyte, Motif Bio, Verseon, Constellation Healthcare Technologies, ClearStar, IBEX Global Solutions, Electrical Geodesics, Digital Globe Services, Enteq Upstream, Zattikka, TLA Worldwide, Port Erin Biopharma, MyCelx Technologies, Spectra Systems and HaloSource
- Press Items / Publications
  - The Future is Small - Why AIM Will be the World's Best Market Beyond the Credit Boom - November 2014
  - Corporate INTL Magazine - June 2014
  - AIM Advisers' Presents to the British American Group of Lawyers at the BABC's Conference - May 2014
  - The Telegraph - September 2013
  - The Telegraph - August 2013
  - The Financial Times - March 2013
  - Corporate INTL Magazine - January 2013
  - Daily Express - June 2012
  - The New York Times - June 2011
  - AimZine - June 2010
  - Quoted Business - Spring 2010
  - Twin Cities Business Magazine - February 2010
  - The Financial Times - December 2008
- AIM Awards' Voting Panel
- AIM Advisers' Advisory Board

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	Filta (November 2016)	LoopUp (August 2016)	MaxCyte (March 2016)
Headquarters	Orlando, Florida	San Francisco, Calif.	Gaithersburg, Maryland
Industry Sector	Bus. Support Svcs.	Software	Biotechnology
Gross Capital Raised	$7.7	$11.2	$14.4
Opening Market Cap	27.9	53.9	43.8
Revenue	9.9	13.3	9.3
EBITDA	1.7	1.5	-0.7
Net Income	1.2	-0.8	-1.4
Pre-Money Valuation Metrics			
Revenue Multiple	2.3	3.2	3.2
EBITDA Multiple	12.9	29.4	N/A
P/E Ratio	18.1	N/A	N/A
Cash Received by Selling Shareholder	$2.4	N/A	N/A

- Filta - Provides, through its franchise network, services that include the micro-filtration of cooking oil and the vacuum-based cleaning of deep fryers for national and independent commercial kitchen operators and owners
- LoopUp - Provides a unique, global SaaS platform for conference calls from data centers in London, Hong Kong, Chicago and Sydney
- MaxCyte - Provides cell engineering technology to biotechnology and pharmaceutical firms engaged in cell therapy, drug discovery and development, biomanufacturing, gene editing and immuno-oncology

AIM Advisers, Inc.
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Recent U.S. AIM IPOs

(in USD millions)	Motif Bio (June 2015)	Verseon (May 2015)
Headquarters	New York, New York	Fremont, California
Industry Sector	Biotechnology	Pharmaceuticals
Gross Capital Raised	$35	$100[1]
Net Capital Raised	32	92
Opening Market Cap	86	460[2]
Revenue	N/A	N/A
Investment Since Inception	14	34

[1] This was the 2nd largest AIM IPO of the year.
[2] This was the largest market cap of the year.

- Motif Bio - A clinical stage (Phase III) biopharmaceutical company with novel antibiotics thought to be effective against infections caused by multi-resistant bacteria
- Verseon - A technology-based pharmaceutical company that is advancing drug discovery programs in anticoagulation, diabetic macular edema and oncology (solid tumors)

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	Constellation Healthcare Technologies (December 2014)	ClearStar (July 2014)
Headquarters	Houston, Texas	Alpharetta, Georgia
Industry Sector	Healthcare BPO Svcs.	Enterprise Software
Gross Capital Raised	$15.1	$15.1
Opening Market Cap	117.9	35.5
Revenue	52.0	8.0
EBITDA	7.0	1.0
Net Income	(0.8)	0.7
Pre-Money Valuation Metrics		
Revenue Multiple	2.0	2.6
EBITDA Multiple	14.7	20.4
P/E Ratio	N/A	29.1

- Constellation Healthcare Technologies - A healthcare services organization providing outsourced revenue cycle management (RCM), practice management (PM) and group purchasing services to hospital-based physicians and physician groups
- ClearStar - A technology and service provider to the background check industry

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	IBEX Global Solutions (June 2013)	Electrical Geodesics (April 2013)	Digital Globe Services (February 2013)
Headquarters	Washington, D.C.	Eugene, Oregon	Denver, Colorado
Industry Sector	Bus. Support Svcs.	Medical Device	Media Agency
Gross Capital Raised	$22.5	$12.0	$20.5
Opening Market Cap	89.9	44.3	73.9
Revenue	136.0	12.5	20.0
EBITDA	5.3	0.6	3.0
Net Income	1.0	0.2	1.8
Pre-Money Valuation Metrics			
Revenue Multiple	0.5	2.6	3.3
EBITDA Multiple	13.8	53.8[1]	22.0
P/E Ratio	73.3[1]	161.5[1]	36.6
Cash Received by Strategic Investor Selling Shareholder	$5.9	N/A	$12.5

[1] Not particularly meaningful given the relatively small denominators.

- IBEX Global Solutions - Provides voice-based contact center services and other BPO solutions to telecom and consumer tech cos.
- Electrical Geodesics - Designs, develops and commercializes a range of non-invasive neurodiagnostic hardware and software products used to monitor and interpret brain activity
- Digital Globe Services - Provides outsourced online customer acquisition solutions to large consumer-facing organizations

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	Enteq Upstream (May 2012)	Zattikka (April 2012)
Headquarters	Santa Clara, California	California and Texas
Industry Sector	Oil & Gas Equip & Svcs.	Consumer Technology
Gross Capital Raised	$68.0	$20.0
Value of Acquired Companies[1]	54.1	47.4
Revenue	17.1	12.4
EBITDA	5.8	4.7
Net Income	5.7[2]	3.8
(Multiples/Ratio)		
Revenue	3.2	3.8
EBITDA	9.3	10.1
P/E	9.5[2]	12.5
Consideration Received by Founders/Shareholders		
Cash	$43.1	$14.1
Notes	N/A	12.1
Shares	3.0	12.6
Deferred Cash	8.0	10.3

[1] Since the purpose of these IPOs was to effect acquisitions, this is the value of the acquired companies, which is more relevant for analysis.
[2] Since the acquired company was an S Corporation, with any Federal and most State tax liabilities passed-through to the shareholders, this is pre-tax net income. Assuming an effective tax rate of 40%, net income and the P/E ratio would be $3.4 million and 15.9, respectively.

Enteq Upstream - Acquired a designer and manufacturer of products focused on the Measurement While Drilling (MWD) market, a significant part of the downhole drilling tools market

Zattikka - Acquired three companies to capitalize on the opportunity to consolidate and organically grow the highly fragmented online and mobile, social/casual, interactive games entertainment market

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	TLA Worldwide (December 2011)	Port Erin Biopharma (September 2011)
Headquarters	California and New York	West Coast
Industry Sector	Media Agency	Biotechnology
Gross Capital Raised	$18.8[1]	$4.8
Opening Market Cap	54.5[2]	5.3
Revenue	11.4	N/A
EBITDA	N/A	N/A
Adjusted EBITDA	5.5	N/A
Net Income	4.9[3]	N/A
Pre-Money Valuation Metrics		
Revenue Multiple	4.8	N/A
EBITDA Multiple	N/A	N/A
Adjusted EBITDA Multiple	9.9	N/A
P/E Ratio	11.1[3]	N/A

[1] In addition to the $18.8 million of equity capital raised from U.K. investors, the company also secured a $10.0 million debt facility from a U.S. bank.
[2] Since the purpose of this IPO was to effect two acquisitions, this is the value of the acquired companies, which is more relevant for analysis.
[3] Since the acquired companies were LLCs, this is pre-tax net income. Assuming tax at 40%, net income and the P/E ratio would be $2.9 million and 18.8.

TLA Worldwide - Acquired two companies to capitalize on the opportunity to consolidate and professionalize the business of baseball athlete representation and create a full-service offering with the addition of sports marketing and management

Port Erin Biopharma - Is an Investing Company that intends to invest in private and public biotechnology and biopharmaceutical companies, primarily located on the West Coast of the United States

AIM Advisers, Inc.
Maximizing Present & Future Value

Recent U.S. AIM IPOs

(in USD millions)	MyCelx Technologies (August 2011)	Spectra Systems (July 2011)	HaloSource (October 2010)
Headquarters	Gainesville, Georgia	Providence, Rhode Is.	Seattle, Washington
Industry Sector	Oil & Gas Equip & Svcs.	Bus. Support Svcs.	Cleantech
Gross Capital Raised	$19.7	$22.8	$80.5
Opening Market Cap	44.3	55.5	159.3
Revenue	4.3	7.3	11.8
EBITDA	0.5	0.6	N/A
Adjusted EBITDA	N/A	0.8	N/A
Net Income / (Loss)	0.3	0.4	(9.6)
Pre-Money Valuation Metrics			
Revenue Multiple	5.7	4.5	9.2
EBITDA Multiple	49.2[1]	54.5[1]	N/A
Adjusted EBITDA Multiple	N/A	40.1[1]	N/A
P/E Ratio	82.0[1]	81.8[1]	N/A
Cash Rcvd. by Selling Share.	N/A	N/A	$30.2

[1] Not particularly meaningful given the relatively small denominators.

- MyCelx Technologies - A clean water technology company focused on oil and gas, power, marine and heavy manufacturing sectors
- Spectra Systems - Invents, develops, manufacturers and markets advanced, technology-based products used to mark, track and authenticate high-value goods
- HaloSource - A clean water and antimicrobial technology company that manufacturers products for the water treatment and antimicrobial coatings markets

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
Harriman House Publication of Book - November 2014

The Future is Small - Why AIM Will be the World's Best Market Beyond the Credit Boom

By Gervais Williams, Managing Director, Miton Group plc, London, England

Harriman House recently published a book written by Gervais Williams, a UK fund manager, that explains, amongst other things, why London's AIM will be the world's best stock exchange and a place of extraordinary vitality in the coming years.

Select quotes from the book include the following:

"The bottom-line is that AIM now stands among the most well-established and vibrant markets for small and micro-cap quoted stocks in the world. Its breadth and depth are remarkable."

"The AIM exchange is distinctive from other markets around the world because it has such a wide range of regular quoted businesses, and it has potential to list a whole lot more."

"There will never have been a better time to be a regular company with substantial turnover, profits and cash flow along with a listing. Indeed, all the evidence point to this being the start of a super-cycle for returns in the genuinely small - as last experienced between the mid-1950s and the mid-1980s."

"So the AIM exchange stands as something of a beacon; an exchange that is dominated by smallness at a time when market trends are changing."

"We are exceptionally fortunate that the long history of support for the smallest quoted stocks in the UK has resulted in AIM surviving when most others have foundered. When it comes to allocating capital to smallness, our public markets have had a culture of supporting companies that are rather smaller than elsewhere. Raising say, £10m via public markets would be difficult or indeed impossible in many other countries around the globe, but not in the UK."

"If the future is indeed small, AIM appears unusually well-positioned to participate in the new trends. All the evidence points to this being the start of a new super-cycle in small-cap returns."

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
Corporate INTL Magazine - June 2014

Santa Monica, California-based AIM Advisers, Inc. Wins 2014 Corporate INTL Magazine's Award for AIM Consulting Firm of the Year in the USA

Birmingham, England and Santa Monica, California

Corporate INTL Magazine named Santa Monica, California-based AIM Advisers, Inc. as the 2014 Winner of their Global Award in the category of AIM Consulting Firm of the Year in the USA.

The magazine's editorial and research teams conducted extensive reviews, drawing insight from business leaders throughout the world in order to identify firms in each category. Tens of thousands of nomination forms were assessed from sources such as the magazine's readership, partners at global law and accounting firms, CEOs, CFOs, in-house counsel, Directors of private and public SMEs and members of the financial community, including; Investment Bankers, Private Equity Investors, Investment and Hedge Fund Managers and HNWIs.

James Sweeney, Founder and Managing Director of Corporate INTL Magazine said: "We have known Mr. McGowan for nearly 15 years as a consultant helping U.S. companies complete IPOs on the London Stock Exchange's AIM and as the CFO of U.S.-based, AIM-listed DDD Group and have followed the development of AIM Advisers with great interest."

Mark McGowan, Founder and Managing Director of AIM Advisers said: "It is an honor to be named Winner of the 2014 Global Award for AIM Consulting Firm of the Year in the USA by such a prestigious, high-quality publication. With the worst of the financial crisis behind us, the balance of this decade should be bright for U.S.-based SMEs that wish to access $6 million - $125 million of equity growth capital via IPOs on the London Stock Exchange's AIM."

Press Items / Publications
Presentation - May 2014

Santa Monica, California-based AIM Advisers, Inc.
to Present to the British-American Group of Lawyers at the
British-American Business Counsel’s Annual Transatlantic Business Conference

Atlanta, Georgia and Santa Monica, California

AIM Advisers, Inc. will be presenting to the British-American Group of Lawyers (BAGOL) at the British-American Business Council’s (BABC) Annual Transatlantic Business Conference in Atlanta, Georgia from May 20 - 22, 2014.

With 2,500 member companies throughout North America and the United Kingdom, the BABC is the largest transatlantic business network. The BABC brings together its members from 23 chapters across the U.S. and the U.K. at the Annual Transatlantic Business Conference for two days of high-level business discussions and networking among senior executives from a broad cross-section of industries engaged in transatlantic business. The conference has previously been held in New York, Los Angeles, Chicago, Washington D.C., San Francisco, Edinburgh, Scotland and Birmingham and London, England.

For further details on AIM, the 47 U.S. companies listed on AIM or a copy of AIM Advisers’ presentation to the BAGOL, please contact Mark McGowan, Managing Director, on (310) 903-0322 or mmcgowan@aimadvisers.com.

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The Telegraph - September 8, 2013

Should You Join the Rush Into AIM Shares?

By Richard Evans, Writer, Personal Finance, London, England

Investors are piling into AIM. Are they heading for a fall or is there a safe way to join the party?

The stock market's smallest and riskiest companies are suddenly attracting unprecedented attention from investors.

The question is: are these share buyers cleverly spotting businesses that are about to grow astronomically or are they wasting their money on companies destined never to make a profit?

The rush of interest in shares listed on the London Stock Exchange's (LSE) Alternative Investment Market (AIM) is due to a change in the rules last month that made these shares eligible for inclusion in tax-free Individual Savings Accounts (ISAs) for the first time.

The effect has been dramatic. In the two months before the rule change, 15.6% of all share purchases made through Hargreaves Lansdown, the stockbroker, involved AIM-listed companies. But in August, this figure increased to 23.6%, a rise of 51%.

In August, 14% of all money put into shares was invested in AIM-listed companies, compared to 9.7% in the previous two months. This is a rise of 44%. Some of the purchases were the result of investors selling an existing holding of AIM shares and repurchasing them within an ISA to shield them from future tax liabilities, said Danny Cox of Hargreaves Lansdown.

Other stockbrokers report similar rises in AIM-related trading. Sippdeal said volumes were up by a quarter, while figures from the LSE, which also includes trading by institutions, painted the same picture. One investment website, Interactive Investor, said trading volumes had doubled.

The increased activity seems to have pushed up the share prices of AIM-listed companies. Since the ISA rule change, the FTSE AIM All-Share Index has risen by 4.9%, whereas the FTSE 100 Index has fallen by 2.7%.

The change, which took effect on August 5th is especially significant because AIM shares were already exempt from inheritance tax, as long as they were held for at least two years. Holding AIM shares in an ISA now allows you to avoid income, capital gains and inheritance taxes.

Should You Join the Rush Into AIM Shares?

By Richard Evans, Writer, Personal Finance, London, England

Expert view: Oliver Bedford, Co-Manager of the Hargreave Hale AIM Venture Capital Trust, debunks the myths associated with AIM shares.

The commonly held view is that AIM is synonymous with volatility, risk and poor performance. Many retail and professional investors have shunned it since the collapse of the equity markets in 2008 and early 2009. Fund managers have been known to attribute their underperformance to AIM. We seek to differ.

While it is certainly true that an investor in an AIM-listed company can lose a significant part, or even all, of their investment, and low levels of liquidity can increase share price volatility, it’s our view that a company’s fundamentals, business model and management ultimately determine the success or failure of an investment, not the exchange on which the company’s shares are listed.

With three times as many companies as the FTSE 350, the scale of the market opportunity on AIM presents investors with a challenge that sits alongside the opportunity. The inefficient flow of information and reduced amount of analyst coverage, which cannot be adequately overcome with traditional desktop tools such as Bloomberg, is another barrier to be overcome. As a result, the market is large, under-researched, less efficient and therefore more likely to contain pricing anomalies. It is a place for stock pickers and those prepared to make the necessary investment of time and effort. Those who do so will find that AIM is home to a wide variety of businesses.

Many AIM-listed companies are young and dynamic, often operating in new and emerging sectors. U.S-based MyCelx is one such example. It is a water technology company that provides clean water solutions to the oil, gas and petrochemical industries. Its patented polymer is capable of permanently removing free, emulsified and dissolved hydrocarbons from water. Revenues are forecast to grow to $24 million in 2013, up from $4 million in 2010.

WANdisco is another example of a young and rapidly growing company with an emerging technology. The company operates from Sheffield, England and San Ramon, California and provides computing technology that enables software developers in separate locations to work simultaneously. Customers include a host of Fortune 1000 companies, such as Hewlett-Packard, Intel, John Deere, Barclays Capital and Nokia. Its revenues are forecast to grow from $4 million in 2011 to $15 million in 2014.

Yet AIM offers much more than “frontier investing”. It is also home to numerous established and more traditional businesses. ASOS, the online retailer, Brooks Macdonald in financial services, Majestic Wine, Nichols (which owns the Vimto and Sunkist brands), the restaurant operator Prezzo and Vertu Motors, the automotive retailer, are good examples.

The Telegraph

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The Telegraph - August 8, 2013

Shares Listed on AIM Can Now be Held in ISAs

By Tom Stevenson, Investment Director, Fidelity Worldwide Investment, London, England

Do-it-yourself investors received a boost this week as the Government removed a long-standing restriction on holding AIM-listed shares in Individual Savings Accounts (ISAs). Now, for the first time, investors with the confidence to pick individual shares for their ISAs are able to invest in companies listed on the London Stock Exchange's (LSE) Alternative Investment Market (AIM).

The prohibition on holding AIM shares in an ISA never made much sense because there was no restriction on holding them in a Self-Invested Personal Pension (SIPP). An investor could get the same tax advantages by putting their AIM shares in their SIPP while using their ISA allowance for investment in companies listed on the LSE's Main Market.

AIM has always been popular with do-it-yourself investors because it offers them a chance to get in on the ground floor, investing early in dynamic growth companies that might rise in value many times over. The potential rewards are high but that means the risks can be too.

Those risks were one of the reasons the Government kept AIM shares out of ISAs until now. But its desire to ensure that SMEs have sufficient access to funding means it is now happy to ease up a bit on investor protection. It sees AIM investors as a potential source of the cash that banks are still loath to provide.

So now we are able to invest in companies such as Majestic Wine, ASOS and many other less well-known AIM companies in our ISAs. "Can" is not the same as "should", though.

So what are the pros and cons of the new rules?

The Telegraph

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The Telegraph - August 8, 2013 (Cont.)

Shares Listed on AIM Can Now be Held in ISAs

By Tom Stevenson, Investment Director, Fidelity Worldwide Investment, London, England

Firstly, the latest move actually makes AIM shares one of the most tax-advantaged of all investments. In most cases, they are already exempt from inheritance tax. From next year, investors won't have to pay the 0.5% stamp duty on the purchase of AIM shares. And the new rules now add income tax and capital gains tax emptions to the list of benefits.

So investing in individual AIM shares makes sense from a tax perspective but should investors really be picking AIM investments for themselves? What are the risks of AIM investing?

The principal concern is that the listing requirements on AIM are less strict than on the Main Market. For example, they can get away with a shorter track record of audited results. That makes AIM attractive for young, unproven companies but can increase the risks for investors.

AIM has also tended to attract a fair proportion of small companies in the riskier technology or natural resources areas of the market. Again, this can mean potential gains but a significant risk of loss too. For some investors, that is a chance they are happy to take, perhaps with just a small proportion of their overall portfolio.

AIM is stock market investing that's red in tooth and claw. The winners, such as ASOS, up from 3p in 2003 to £50 recently, have made fortunes, however, there have been big losers too.

I think it is only fair that investors can now invest in AIM shares in a tax-efficient way. But they need to keep their eyes wide open.

The Telegraph

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The Financial Times - March 20, 2013

Stamp Duty on AIM Shares Abolished

By Kate Burgess, Small Companies Correspondent, London, England

Fans of equities in small companies cheered the 2013 Budget move to abolish stamp duty on shares quoted on the London Stock Exchange's (LSE) Alternative Investment Market (AIM). Buyers of shares traded on growth markets such as AIM will no longer have to pay the 0.5% tax from April next year, adding to the already substantial tax breaks available to investors in the junior market. When this regime is in place, it will mean investors in AIM shares will be able to avoid capital gains tax, income tax, inheritance tax and now stamp duty too. The decision follows years of lobbying by the LSE and the Quoted Companies Alliance (QCA) and should provide a boost to AIM.

Gervais Williams, specialist small-cap fund manager at Milton and a QCA director, said: "Removing stamp duty will reduce the cost of investing in AIM shares and stimulate liquidity. It will also reduce the cost-of-capital for AIM-listed companies, allowing them to fund growth more easily."

David Bywater, tax partner at KPMG, said: "Abolishing stamp duty for AIM-listed companies sends out a message that London and the AIM market is the place to list and raise finance for fast-growing companies."

The Chancellor said the move was part of measures designed to ease access to funding for SMEs, helping to reinvigorate their growth and therefore the economy.

It comes days after the Government said it was consulting on the details of allowing AIM shares to be held in tax-efficient Individual Savings Accounts (ISAs). ISAs allow individuals to shelter up to £11,520 annually from capital gains and income tax.

The LSE cites analysis from Deloitte suggesting that abolishing stamp duty "in the short-term could cost £72 million, under 3% of overall stamp duty, but it will be revenue neutral in the longer-term due to increased economic activity and higher tax receipts. It will also allow companies already quoted on AIM to create up to 26,000 new skilled jobs and reduce the cost-of-capital for SMEs by more than 15%."

FINANCIAL TIMES

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
Corporate INTL Magazine - January 2013

Santa Monica, California-based AIM Advisers, Inc. Wins 2012 Corporate INTL Magazine's Award for AIM Specialist Firm of the Year in the USA

Birmingham, England and Santa Monica, California

Corporate INTL Magazine named Santa Monica, California-based AIM Advisers, Inc. as the 2012 Winner of their Global Award in the category of AIM Specialist Firm of the Year in the USA.

The magazine's editorial and research teams conducted extensive reviews, drawing insight from business leaders throughout the world during 2012 in order to identify firms in each category. Tens of thousands of nomination forms were assessed from sources such as the magazine's readership, partners at global law and accounting firms, CEOs, CFOs, in-house counsel, Directors of private and public SMEs and members of the financial community, including, Investment Bankers, Private Equity Investors, Investment and Hedge Fund Managers and HNWIs.

James Sweeney, Founder and Managing Director of Corporate INTL Magazine said: "We have known Mr. McGowan for nearly a dozen years as a consultant helping U.S. companies complete IPOs on AIM and as the CFO of U.S.-based, AIM-listed DDD Group and have followed the development of AIM Advisers with great interest."

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Corporate INTL Global Awards 2012 Winner

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
Daily Express - June 11, 2012

Floats Steady And Firms Are Awash With Cash

By Peter Cunliffe, City Editor, London, England

WHILE the number of new AIM flotations has held steady, there has been a boom in cash raised on AIM.

US-based AIM IPO specialist firm, AIM Advisers, said the overall strength of the London Stock Exchange's junior market showed investor confidence was still high.

AIM Advisers, which helps US firms seeking to float on AIM, has based its assessment on a study of listing activity during 2011.

It said 45 companies joined AIM through Initial Public Offerings (IPOs) during the year, one less than last year. Of those, 38 were operating companies rather than investment firms.

But they raised a total of £516 million ($826 million) on AIM, an average of £14 million ($22 million) each, giving them an average market value of £41 million ($66 million).

Mark McGowan, Managing Director of AIM Advisers, said: "Generally speaking, the companies that completed IPOs during 2011 were smaller and stronger and simply required less growth capital."

While the number of IPOs was satisfactory, he said the secondary offering market was booming, with £3.6 billion ($5.8 billion) raised last year.

McGowan continued: "The strength of the secondary offering market is a positive sign for IPOs over the medium-to-long-term as investors remain confident in the market."

Seven American companies floated on AIM last year, more than from any other country outside the UK.

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Home of the Daily and Sunday Express

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The New York Times - June 8, 2011

Fleeing to Foreign Shores - Fast Growing U.S. Companies Look Abroad for Investors

By Graham Bowley, Reporter, New York, New York, U.S.A.

Reva Medical, a maker of medical devices in San Diego, wanted to go public last year to raise money to satisfy impatient venture capitalists and finance research for its heart stents.

But it found little investor interest in the United States for an early-stage medical device company that had not yet made a profit.

Reva Medical did what a small but increasing number of young American companies are doing — it looked abroad for money, in Reva's case the Australian Stock Exchange.

After an eight-month road show, meeting investors and pitching the prospects of a biodegradable stent, the 12-year-old company sold 25% of its stock for $85 million in an initial public offering in December.

"There are so many companies that require capital like our company, and they don't have access to the capital markets in the United States," said Robert Stockman, Reva's chief executive. "People are looking at any option to stay alive, which is what we did."

Reva's example shows that nearly three years since the financial crisis began, markets in the United States are barely open to many companies, leading them to turn to investors abroad. Denied a chance to list their stock and go public here, they are finding ready buyers of their shares on foreign markets.

Nearly one in 10 American companies that went public last year did so outside the United States. Besides Australia, they turned to stock markets in Britain, Taiwan, South Korea and Canada, according to data from the consulting firm Grant Thornton and Dealogic.

The 10 companies that went public abroad in 2010 — and 75 from 2000 to 2009 — compares with only two United States companies choosing foreign exchanges from 1991 to 1999.

The trend reflects a decidedly global outlook toward stocks, just as the number of public companies in the United States is shrinking.

From a peak of more than 8,800 American companies at the end of 1997, that number fell to about 5,100 by the end of 2009, a 40% decline, according to the World Federation of Exchanges.

The New York Times

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The New York Times - June 8, 2011 (Cont.)

Fleeing to Foreign Shores - Fast Growing U.S. Companies Look Abroad for Investors

By Graham Bowley, Reporter, New York, New York, U.S.A.

The drop comes as some companies have merged, or gone out of business, or been taken private by private equity firms. Other young businesses have chosen to sell themselves to bigger companies rather than go public.

To be sure, as the economy improves and investors shaken badly by the financial crisis begin to regain their confidence, American stock markets may once again open up for companies trying to go public and listings may rise in the United States.

LinkedIn, the social networking site for business professionals, had a successful initial public offering last month on the New York Stock Exchange, and Groupon, the social buying site, has registered its plans to go public in the United States.

But these are big companies, enjoying the popularity of being Internet darlings. Executives and analysts fear that a long-term structural shift in American equity markets means these markets are now closed to legions of smaller, more ordinary businesses. They could more easily have gone public in the United States in the past. But they now remain private or, for the time being, have to market themselves overseas and rely on foreign investors.

For example, initial public offerings by American companies totaled only 119 in the United States last year, according to Dealogic — higher than the depressed rates of the previous two years but a far cry from the 756 companies that went public at the peak in 1996.

As young, fast-growing companies are forced to look overseas for public status and investors, executives and analysts fear that they may increasingly shift their geographic focus — and as a result any jobs they create will be abroad.

“Issuers have to put themselves through a grinder to go overseas, so any significant percentage of overseas listings is a sign that our markets have become hostile to innovation and job formation,” said David Weild, a former vice chairman of the NASDAQ stock exchange and a senior adviser to Grant Thornton.

A variety of factors explain each company’s decision to list on a foreign exchange, like the increased regulatory costs of going public in the United States. Underwriting, legal and other costs are typically lower in foreign markets, companies say.

The Alternative Investment Market, or AIM, a part of the London Stock Exchange intended for small company listings, is a popular destination for some American companies. The cost of an initial public offering on the London Stock Exchange's AIM is about 7% of total capital raised, compared with 12% on NASDAQ, according to Mark McGowan of AIM Advisers, which helps U.S. companies list on London's AIM.

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In addition, the extra annual cost of maintaining a public listing, including complying with Sarbanes-Oxley rules, can be typically much higher in the United States: $2 million to $3 million each year depending on the size of a company compared with a cost as low as $250,000 on London's AIM or $100,000 to $300,000 in a market like Taiwan, according to advisers.

There are concerns that some foreign exchanges attract companies because their oversight may be less stringent. But companies insist standards are high.

A more important factor than cost, said Sanjay Subhedar, managing director of Storm Ventures, a California venture capital firm, is that investors in the United States who traditionally participate in I.P.O.’s and the banks that underwrite the offerings are no longer interested in share sales by small companies.

Institutional investors like mutual funds want the liquidity of larger offerings with abundant buyers and sellers, he said; bank underwriters want to focus on the more lucrative fees that bigger deals generate.

One of the companies he invests in, Integrated Memory Logic (IML), of Campbell, Calif., last year became one of the first non-Taiwanese companies to list on the Taiwan Stock Exchange. A supplier of semiconductor chips for LCD screens, it raised $40 million with a 10% sale of the company after the exchange changed its rules to allow foreign companies to join.

Integrated Memory Logic, which had a work force of 60 when it went public, has since added a handful of engineers in the United States but also another 40 employees in Shanghai, Taipei and Seoul, South Korea.

“Because of the nature of the industry, large mutual fund companies and investment banks don’t want to do an offering of less than $100 million,” said Mr. Subhedar. “This means unless the company has a market size of $500 million, you can’t really go public in the United States. We were in the $250 million to $350 million range.”

Another reason to go abroad, some American businesses like HaloSource of Seattle are discovering, is that investors in the United States may not be as interested as foreign investors in companies whose growth potential is strongest overseas.

HaloSource makes water purification devices for use in American pools and spas but also for drinking water in countries like India, China and Brazil. Last year, it had an $80 million IPO on London's AIM. One reason it chose London AIM, according to James Thompson, chief financial officer, was that London AIM investors were more sympathetic to growth opportunities in emerging markets. ”Though London's AIM is a smaller capital market than New York, London's AIM is much more globally focused.”

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For some London AIM-listed companies like HaloSource, the move to a foreign exchange may make longer term strategic sense as their growth shifts away from America to markets like China and India. Integrated Memory Logic's biggest suppliers of the wafers for its semiconductor chips and its biggest customers are in Asia — so a listing in Taiwan raises its profile in a region that is already home to most of its corporate partners.

Another company, Samsonite, the luggage company that was founded in Denver in 1910 but shifted its corporate location to Luxembourg in 2009, now sees most of its growth coming from Asia. It plans a $1.5 billion offering in Hong Kong next week.

The attraction of an Asian listing will be underlined further this month when Prada, the Italian fashion house, lists its shares in an offering that could generate $2.5 billion, also in Hong Kong.

But while some companies see their foreign I.P.O. as a long-term move, others see it as an interim step, one that after further expansion could lead them to seek investor interest back home and a dual listing in the United States.

One reason Reva Medical chose Australia was that country's system of research hospitals that it intends to use for its clinical trials.

Mr. Stockman, the chief executive, also sits on the board of another company, HeartWare International, based in Massachusetts and Florida, that carried out an Australian I.P.O. in 2005, and then listed on NASDAQ in the United States in 2008.

In its Australian I.P.O., Reva sold stock to investors from Britain, Australia and Hong Kong, as well as America.

Mr. Stockman said two Wall Street investment banks told him there was no interest in an offering of the company in the United States. Instead, he found an underwriter, Inteq, in Australia. In the end, the cost of the Australian listing was $7 million, roughly what it would have cost Reva to list in the United States, he said.

One of the biggest costs was travel time and flights. He concedes that he would have preferred to list in the United States in the first place — after all the traveling back and forth to Australia, and the long road show in Asia, the United States and Europe.

"All things being equal, it would have been easier," he said. "It is a long way."

The New York Times

AIM Advisers, Inc.
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Press Items / Publications
AimZine - June 2010

Meet the AIM Players - Mark McGowan of AIM Advisers, Inc. - Promoting AIM in the USA

By Michael Crockett, Co-Founder and Managing Editor, London, England

Did you know that there are 47 U.S. companies listed on AIM? Furthermore, did you know that U.S.-based AIM-listed companies have outperformed the AIM index over the last three years by a considerable margin?

These facts I gleaned from a fascinating conversation I had with Mark McGowan, Managing Director of US-based AIM Advisers, Inc. Mark founded AIM Advisers in 2001 to help US companies who wish to list on the London Stock Exchange's AIM. As a former Finance Director of AIM-listed DDD Group he is well qualified to assist US companies, particularly in the lead up to an Initial Public Offering (IPO) on AIM.

POTENTIAL

My first question was naturally: 'what are the benefits to a US Company to list on the London Stock Exchange's AIM?' The answer is that for the right companies there are considerable advantages and Mark is optimistic that these compelling reasons will help him to attract significant further business over the coming years.

Mark spent the early years focused on building relationships in London, most notably with AIM Nominated Advisers (Nomads) and AIM Nominated Brokers. Since then, Mark has focused the majority of his attention on marketing activities in the US and serving clients. When I spoke to Mark in mid-May he was in Houston, almost half way through a 12-week driving tour covering seven key US cities - Phoenix, Austin/San Antonio, Houston, Dallas, St. Louis, Minneapolis/St. Paul and Denver/Boulder. On this business development tour Mark is presenting to key advisors such as accountants and lawyers and key investors such as VCs and PEGs. In the first 4 weeks Mark had already completed 70 meetings.

Mark explains that the goal is to make advisors and investors aware that the London Stock Exchange's AIM is an option for US companies when seeking their next stages of growth capital and access London AIM-listed shares for acquisitions. Many of the firms he has met to date have had little awareness of the considerable attractions of London's AIM. However, Mark's view is that US companies need to tick a number of boxes before considering a London Stock Exchange AIM IPO.

Mark has been pleased with the interest shown in London's AIM by US advisors and investors and, when looking at the benefits, it is not difficult to understand the interest.

AIM VS. NASDAQ

Small US growth companies often aspire to list on the US NASDAQ exchange. However, London's AIM can provide similar benefits to NASDAQ but with some considerable savings. The cost of an IPO on the London Stock Exchange's AIM approximates 7% versus the 12% on NASDAQ and London's AIM has a significant advantage when comparing the costs of maintaining the listing due to the high regulatory burden in the US, where companies need to comply with the requirements of the Exchange Act and Sarbanes-Oxley (SOX).

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However, it is not just a matter of cost. Mark told AimZine: *'I think a more fundamental point from a U.S. company's point-of-view, beyond less regulation and less cost on London's AIM vs. NASDAQ, is that a company with a market capitalization of $100 million will actually be paid attention to on London's AIM since it will be in the top 23%. I describe this main benefit to those with whom I am meeting as the opportunity for a quality, growth-oriented U.S. company to be a 'big fish in a small pond' on London's AIM. London AIM investors will actually care about a company of this size on London's AIM and equity research will be written. On NASDAQ, 1,000 of the 2,800 companies have a market cap, below $100 million but no one cares about these small companies which are often described as NASDAQ's orphans. Less regulation and less cost on London's AIM is just a follow-on benefit. What the company really wants is the ability to raise capital and get noticed so that they can use their London Stock Exchange AIM-listed shares for acquisitions and/or attract the attention of larger corporates who may consider paying a significant premium over the London AIM market price to acquire the company which is what I call the 'Trojan Horse Strategy'.'*

In his presentation Mark suggests that to be suitable for a London AIM IPO, a US Company should be profitable, or close to profitability, and be able to command a market capitalisation of over $13 million. At this level there is scope to grow to around $500 million where it then begins to make sense to list on NASDAQ, given the liquidity and valuation advantages. A $500 million company should be big enough to bear the internal and external costs of the Exchange Act and SOX.

One key message that is conveyed is that London's AIM is a 'real stock exchange' and the company needs to have the right mindset before embarking on the process of listing. For example, the due diligence required for a London AIM IPO is no less than that required for NASDAQ.

Two common questions that have arisen from US advisors and investors concern the availability of institutional capital on London's AIM and liquidity on London's AIM. On the former point the London Stock Exchange's AIM scores well as a significant number of institutions have fairly 'deep pockets' and quality US companies have proved to be popular with these institutions. On the liquidity point, Mark is confident that a good company with the right AIM Nominated Broker(s) and financial PR/IR firm can achieve a fair valuation with plenty of interest in their shares.

SIGNIFICANT SAVINGS

When looking at the costs of ongoing listing, AIM Advisers estimates that a NASDAQ listing will cost $2 - $3 million per year compared to $250 - $375 thousand on London's AIM. This is one of the reason AIM Advisers offers for why companies under $500 million may be better served on the London Stock Exchange's AIM. Therefore, it is surprising to note that 75% of the 2,800 companies on NASDAQ are capitalized at less than $500 million.

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Mark explains: *'The reason why many of these 2,100 companies on NASDAQ do not delist or utilize AIM's Designated Markets Route and then delist is because they already have more than 2,000 shareholders and would have to comply with the Exchange Act and SOX anyway. The genie is out of the bottle and it is impossible to put him back in. This is a key point for a U.S. company considering its next steps. I think many would be better served by taking their (suitable) $50 million, $100 million, $150 million market cap. company to London's AIM with a 3 - 5 year view and see if they can actually grow the business as they believe they can and, if so, great, now they're ready for primetime; dual list on NASDAQ and either strike off the London AIM listing or, more likely, move it up to the Main Market of the London Stock Exchange where even more investors are able to invest. My role in acting as a strategic adviser to the company is key in terms of being able to identify the most suitable AIM Nominated Advisers (Nomads) and AIM Nominated Brokers along the key attributes of reputation, sector and size focus, initial and secondary capital raising ability, sectoral equity research analysts and, finally, the all-important sales and trading aftermarket on London's AIM since much of the economic incentive for the AIM Nominated Broker vanishes after the London AIM IPO but the company wants to ensure that its London Stock Exchange AIM-listed shares are liquid since a core strategy of many is to be able to use those shares for acquisitions.'*

One interesting statistic in comparing London's AIM with NASDAQ is that 62% more capital has been raised on London's AIM than NASDAQ since 2005.

Mark is keen to stress that the London Stock Exchange's AIM is not right for everyone and as well as the size and profitability criteria, he believes it is preferable for the candidate company to have some overseas exposure, ideally with some business in or plans for Europe.

Once a company has decided that it is interested in a London AIM listing, AIM Advisers will work with the company to determine the suitability of a London Stock Exchange AIM IPO by viewing the company through the eyes of potential AIM Nominated Advisers (Nomads) and AIM Nominated Brokers, assisting with their selection and the appointment of the various other key advisors as well as supporting the company with three hands-on services through the London AIM IPO process.

AIMZINE COMMENT: We will be keeping watch for further suitable U.S. companies completing IPOs on London's AIM, particularly those that are assisted by AIM Advisers. Mark views London's AIM as a 3 - 5 year 'bridge' to grow quality companies from $30 million to $500 million. UK Private Investors may be keen to help such companies across that bridge!

Mark McGowan is the Founder and Managing Director of AIM Advisers, Inc., a California-based business that helps small and medium-sized, growth-oriented US companies complete IPOs on London's AIM. Mark was the chief financial officer of DDD Group plc, a London AIM-listed company with its corporate headquarters in the US. Mark is a qualified accountant, having previously worked for Grant Thornton in Los Angeles, Hong Kong and throughout the Asia-Pacific region.

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Press Items / Publications
Quoted Business - Spring 2010

The U.S. Market for AIM - Target Rich, Knowledge Poor - Can the U.S. Market Reboot AIM?

Mark McGowan, Managing Director of AIM Advisers, Inc., reflects on his tour around the U.S. promoting AIM.

It is an indisputable fact that there is no place on the planet with more small and medium-sized companies than the U.S. In and of itself, this does not mean that, properly educated about AIM, those companies for which there is a strong rationale to seek a public listing should flock to London. The other key ingredients are a dysfunctional domestic public market (think Securities and Exchange Commission (SEC) and SOX) and a mountainous backlog of venture capital (VC) and private equity (PE) portfolio company investments with few credible exit paths to return capital to the limited partners of what are often closed-end funds where the clock is ticking ever more loudly.

When SOX was enacted during the early part of the last decade, commentators and professional advisers alike foresaw a wave of small and medium-sized U.S. companies listing on AIM and there was even talk of erecting statues of Paul Sarbanes and Michael Oxley in London. From the perspective of those in London, there may have been a wave of U.S. companies listing on AIM, but from a U.S. perspective, five dozen companies dipping their toes across 'The Pond' hardly scratches the surface and amounts to nothing more than a rounding error at the Bureau of Labor and Statistics.

FINDING YOUR PERFECT MATCH

There are 41,300 privately held companies in the U.S. which operate in sectors that are common on AIM and generate annual revenues ranging from $5m to $250m. VC and PE portfolios are stuffed with 20,000 companies. While there is some crossover between the two, logic dictates that there must be several hundred companies for which 1) an AIM listing would make sense, 2) the Nomads and brokers would accept appointment, and 3) institutional and other investors would invest. Obviously, this three-way match must be made for a transaction to take place, but how will it ever happen on a consistent basis or, given the size and diversity of the U.S. and the complexity of a cross-border listing, must it be left to random chance?

Can progress be made from well-appointed offices in London or Santa Monica by filling up the inboxes of U.S.-based professional advisers and VC/PE types or by holding endless conference calls with people who can't understand the accents or by conducting webinars where most people's attention is focused on their Blackberry's or iPhones? Pretty unlikely, but it sure can keep people busy and, I suppose, at least for a while, gainfully employed.

PROMOTING AIM AROUND THE U.S.

This is why I set out on a 13-week, 12-city tour last fall to market AIM across the U.S. The four-day, 2,100-mile drive from Santa Monica to Indianapolis, Indiana (the nation's 13th largest city), where the tour began, was a bit painful but from then on it was smooth sailing until I drove back to California from Florida in December for the holidays.

One of the lawyers I met in Indianapolis said "wow, you're like a rock star", to which my response was "yeah, minus the private jet, the drugs, the alcohol and all of the other trappings of the rock 'n' roll lifestyle". I quickly learned that this type of humor doesn't play well in the Midwest so when an accountant in Louisville, Kentucky made a similar comment, my response was "well, I feel like Muhammad Ali's punching bag". Now that was funny because Ali's hometown is Louisville. At least I caught on in city 2 of 12.

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Quoted Business – Spring 2010 (Cont.)

The U.S. Market for AIM – Target Rich, Knowledge Poor, Can the U.S. Market Reboot AIM? (Cont.)

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NOW BACK TO THE MAIN STORY OF HOW TO IDENTIFY AND INTRODUCE U.S. COMPANIES TO AIM
Wedging oneself into a stranger's office in a 'foreign city' is not easy. Through a combination of leveraging relationships built in London since launching AIM Advisers, Inc. in 2001 and referencing the 'soft marketing' they have been exposed to via bespoke e-mail newsletters about AIM, and the 47 U.S. companies that are currently listed on AIM, the meeting acceptance rate has been about 25%.

The unfortunate reality in today's world is that most people, even high-level professionals, have short attention spans, particularly when it comes to something they know virtually nothing about and have no idea how, or even if, it may benefit them. The ability to answer, in great detail, the often unasked question of "what's in it for me?" is critical; the short answer is "a lot".

What's in it for the VC/PE types is obvious, but many professional advisers believe they will lose clients if they suggest AIM. While it is unlikely that their clients will discover AIM on their own, by suggesting a sensible avenue for them to raise capital and be able to use public shares to effect acquisitions to grow their businesses, these professional advisers will have stronger clients, which in turn will benefit them. In terms of the transactional and on-going work, an AIM IPO is a significant transaction (think fees) that requires extensive legal, financial and operational due diligence; at least half of which is typically carried out by the company's incumbent U.S. advisers for the obvious reasons of historic knowledge and proximity.

THE SECRET TO GETTING THE MESSAGE ACROSS
Face-to-face meetings for an hour across the conference room table where questions can be answered and objections can be overcome in real-time where you have someone's undivided attention is 'the secret'. Being able to convey the essential facts about AIM, the rationale for AIM from a U.S. company's perspective and some guidance as to what a suitable company would look like in the current economic environment arms them with the knowledge to better serve their existing clients, win new clients and/or identify suitable exits and/or growth financing opportunities for their portfolio companies. Building relationships with the companies' most trusted advisers and investors and letting them pre-vet the companies for our mutual benefit, eliminates having to deal with most of the 99% of the 41,300 companies that are unlikely matches for one reason or another.

As one example, a meeting with a law firm led to a four-hour meeting three days later with the founder, president and chief executive of a cleantech company in the same building, which has U.K.-based assets that may be suitable for an AIM listing. The referring lawyer had received a dozen pieces of my 'soft marketing' over a period of 11 months, but we had had no personal contact until meeting at his office.

In terms of sector focus, it's all things technology, since that's the nature of the economy and IP-based businesses tick the 'growth' and 'international' boxes. In terms of geography, it's greenfield, so any of the top 100 metro areas should be ripe with targets. It's a big country. It can't be covered quickly enough.

Mark McGowan is the Founder and Managing Director of AIM Advisers, Inc., a California-based business that helps small and medium-sized, growth-oriented U.S. companies complete IPOs on AIM. Mark was the Chief Financial Officer of DDD Group plc, an AIM-listed company with its corporate headquarters in the U.S. Mark is a qualified accountant, having previously worked for Grant Thornton in Los Angeles, Hong Kong and throughout the Asia-Pacific region.

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Press Items / Publications
Twin Cities Business Magazine - February 2010

Capital Migration: Foreign Exchanges Persist in a Drive for U.S. Listings. They're a Venue for Small-Cap IPOs.

By Dave Beal, Minneapolis, Minnesota

For much of the past decade, stock exchanges in Toronto and London have tried to attract small-capitalization companies based in the United States. They don't have much show for their efforts, but don't expect them to stop trying anytime soon.

Consider TMX Group, which includes the Toronto Stock Exchange and its baby sister, the TSX Venture Exchange. Last November, TMX brought its road show back to Minneapolis for an event that featured two panel discussions and private meetings with listing prospects. TMX plans to send its recruiters to the city again in 2010.

Then there's Mark McGowan, who runs AIM Advisers, a California-based consultancy that represents the London Stock Exchange's AIM for small caps. McGowan is crisscrossing the country to explain the workings of AIM in face-to-face meetings with small-business executives and the professionals who handle their legal and financial affairs. He has penciled in a visit to the Twin Cities this spring.

These two exchanges differ in many ways. "Small" is larger for AIM, where listed companies' average capitalization is around $100 million. It's only $16 million on Toronto's Venture Exchange, where companies are generally in earlier stages of development.

But advocates for both AIM and TSX Venture have one thing in common: They share a belief that for many reasons, the U.S. capital markets for publicly traded companies are not functioning well enough at the smaller end of the market. Both want to be the needed alternative.

A HARD SELL
So far, moving into the vacant space that the public market isn't serving in the U.S. has proven difficult.

AIM, born in 1995, worked with the Faegre and Benson law firm to make presentations in Minneapolis in 2004 and again in 2005. Today, McGowan says, only about 47 of AIM's roughly 1,000 listings are U.S. companies, none from Minnesota.

Toronto's Venture Exchange got started in 2002, after TMX acquired the Canadian Venture Exchange in Calgary. Both of the TMX exchanges have targeted Minnesota because of its strong suits in technology and life sciences and its proximity to Canada. At present, 62 U.S. companies are among the 2,184 listed on the Toronto Venture Exchange, and only one, Rapid Brands in Chanhassen, is from Minnesota.

GETTING MORE ATTRACTIVE
AIM Advisers' McGowan was also the CFO of DDD Group, an AIM-listed company in California. He says the number of U.S. companies that have gone public on AIM "hardly scratches the surface" of what's possible. In his prospecting efforts, McGowan targets companies with potential valuations ranging from $30 million to $500 million.

"Fear of the unknown" is one factor that foreign exchanges have to contend with, says Rick Brimacomb, a Twin Cities financial adviser who helped TMX drum up attendance for its latest Minneapolis event. But he believes that small companies locally are now more receptive to the pitches of foreign exchanges than they were five years ago, given the difficulty of doing IPOs domestically. If he's right, persistence might eventually bear fruit in Minnesota for foreign stock exchanges.

AIM Advisers, Inc.
Maximizing Present & Future Value

Press Items / Publications
The Financial Times - December 19, 2008

FINANCIAL TIMES

Companies | UK

Economic winter bites on Aim's hopeful minnows

David Blackwell
SMALL TALK

The yearning for better times expressed in the 1960s pop classic "California Dreamin'" must strike a chord with many Aim boards as the junior market languishes in its own economic winter.

The bleak October figures revealed that for the first time in 10 years a calendar month had passed on Aim with no new money being raised. The London Stock Exchange statistics for November show a slight improvement – new money raised was £12.4m. But secondary fundraising was down to £65.2m from £81.6m in October.

Compared with November 2007, last month's figures look worse. In that month £192.2m of new money was raised and £243.1m of secondary funding.

But US optimism is hard to quench, as a look at a Santa Monica-based Aim minnow shows. DDD Group specialises in the development and licensing of software to create three-dimensional images on television, laptop and mobile phone screens.

It was founded in 1993, and arrived on Aim in 2002, raising £6m at 65p a share.

Its technology has been developed from software originally designed to create three-dimensional images of industrial plants for scientists and engineers. Clients include Samsung, Sharp and Hyundai.

Product has been shipped to South Korea, Japan and the US. But, as Chris Yewdall, chief executive, says, nothing has happened in the UK, leaving the company in obscurity.

The shareholder list is just as impressive. Nigel Wray, the entrepreneur and investor, has 7 per cent; Hans Snook, the former head of Orange, has 3 per cent and is a non-executive director; and Arisawa Manufacturing, the Japanese group that makes flat-screen TV parts, has 29 per cent.

The company has also been able to keep raising money. The last placing was in November 2006, when it raised £1.6m at 10p a share. Then in April this year it issued £510,000 of convertible loan notes to existing shareholders, with a conversion price of 10p a share up to April 2010.

The first-half results, announced in September, showed turnover up from £91,000 to £354,000 – above the total for each of the past two years. The company has never made a profit, but the interim pre-tax loss was down from £743,000 to £609,000.

But in spite of the clear support of the shareholders and the better results the share price has continued to slide, closing unchanged at 2¼p yesterday, which gives it a market capitalisation of just £1.86m.

Mr Yewdall is quick to describe the company's experience of Aim as "positive", having provided access to capital and the ability to continue development.

Flight to quality

DDD caught my attention because Mark McGowan, its former chief financial officer for several years, sent me an e-mail about his new venture, also based in Santa Monica and entitled Aim Advisers. Mr McGowan, who left DDD 18 months ago, is using his experience to look for suitable American companies to bring to Aim.

Assuming there are compelling reasons for a company to go public, if the company is not expected to command a market capitalisation of at least $500m, it should favour Aim over the US markets, he argues. Companies below this threshold are too small for the US markets. They would get little attention from institutional investors, research analysts and the public. The result is often a languishing share price, illiquidity and an inability to raise additional capital.

Sounds familiar, doesn't it? Well over 500 companies, or about a third of the dwindling total on Aim, have a market capitalisation of less than £5m, including DDD, and suffer the same problems.

DDD would not be able to join Aim now – it is too small. So Mr McGowan wants to find US companies with an international aspect that would have a market capitalisation of about £100m and raise £20m to £25m.

He believes that when the international market revives on Aim, there will be a flight to quality that can be serviced from the myriad ranks of US small companies. He hopes the first candidate will surface towards the end of next year. It will be great if he is not just California Dreamin'.

Peculiar valuations

It is no exaggeration to describe some of the present valuations of Aim stocks as peculiar. KSK Power Ventur, my favourite, builds power plants in India, particularly for industrial clients that need large amounts of electricity. After floating just over two years ago, the shares shot up to more than 600p before tumbling to 164p, giving a market capitalisation of £203m. But its stake in its 55 per cent-owned subsidiary KSK Energy Ventures, the power generation division floated on the National Stock Exchange of India in July, is worth £412m.

Small Talk returns on January 2.
david.blackwell@ft.com

AIM Advisers, Inc.
Maximizing Present & Future Value

AIM Awards - AIM Advisers, Inc.
Accepts Invitation to Join Voting Panel
August 2009

I am honored to announce the acceptance of an invitation to join the 19-member Voting Panel for the 2009 AIM Awards Dinner which is sponsored by PricewaterhouseCoopers. The London Stock Exchange is also a sponsor, along with a number of AIM-focused advisory firms.

The AIM Awards Dinner has been the marquee AIM event each year since 1996; this year 10 awards will be presented across a range of categories, culminating in the award for Company of the Year. Attendees are expected to number in excess of 1,200 and include the senior executives from a variety of the AIM-listed companies and their professional advisers.

Ian Restall, the Founder and Managing Director of Design Portfolio Marketing Services (a member of the Flathill Communications Group and the organizer of the AIM Awards Dinner), sought to internationalize the Voting Panel with the addition of AIM Advisers, Inc., a Santa Monica, California based consultancy that helps small and medium-sized, growth-oriented U.S. companies complete IPOs on AIM and provides a range of services to the 47 U.S.-based companies that are already listed on AIM, the largest number from any country outside of the United Kingdom.

Country	Number of AIM-Listed Companies
United Kingdom	650
United States	47
China	25
Australia	24
Ireland	21
India	16
South Africa	16
Other	201
Total	1,000

AIM Advisers, Inc.
Maximizing Present & Future Value

AIM Advisers, Inc. Forms Advisory Board Comprised of Three Senior Executives with Significant AIM Experience September 2009

- Designed to assist AIM Advisers with its ongoing activities on London's AIM and provide a natural source for U.S. companies embarking on AIM IPOs to bolster their boards with seasoned, UK-based Non-Executive Directors

- Frank Lewis
  - Non-Executive Chairman of China Evoline Plc (AIM: CEVO)
  - Former Non-Executive Chairman or Non-Executive Director of a dozen AIM-listed companies
  - Member of the AIM Advisory Group, an external committee established by the London Stock Exchange
  - Member of the Quoted Companies Alliance International Working Group
  - Chartered Accountant in England and Wales and South Africa

- David R.W. Potter
  - Non-Executive Chairman of Camco International Limited (AIM: CAO) since 2006 AIM IPO
  - 40 years of City experience, including; Deputy Chairman of Investec Bank UK, CEO of Guinness Mahon and Managing Director at HSBC and CSFB
  - Former Non-Executive Chairman of U.S.-based, AIM-listed Solar Integrated Technologies and Vycon
  - Current or former Non-Executive Chairman or Non-Executive Director of a half-dozen AIM-listed companies

- Adrian J.R. Smith
  - Chief Executive Officer of The Woolton Group LLC with offices in Florida and London
  - Non-Executive Director of RTI Biologics (NASDAQ: RTIX) and Byotrol plc (AIM: BYOT)
  - Former Non-Executive Chairman of Carter & Carter, two acquisitions and IPO on the London Stock Exchange
  - Former Managing Partner at Deloitte and Arthur Anderson and CEO of Grant Thornton U.S.
  - Early career with Procter & Gamble UK and Ecolab UK, U.S. and Canada

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