AIM Advisers, Inc.
Maximizing Present & Future Value

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About AIM Advisers
AIM Advisers helps small and medium-sized, growth-oriented U.S. companies complete IPOs on the Alternative Investment Market (AIM) of the London Stock Exchange. AIM Advisers also provides a range of services to the 58 U.S.-based companies that are already listed on AIM.

Secondary Offering Activity – 2013

Highlights

- £2.7 billion ($4.3 billion) raised in secondary offerings during 2013

- Secondary offerings raise 10% more during 2013 and AIM just entered a new IPO cycle
    - Valuations for the 1,087 companies currently listed on AIM are now 'fair'
    - Companies are maturing, as is AIM in its 18th year, and simply require less capital
    - Sustainable growth is gathering pace in the UK and the U.S. in particular
    - Since 2010, UK captures 40% of IPOs, Africa 11%, China 10% and the U.S. 9%
    - Ratio of secondary offering funds to IPO funds raised was 6:1 in 2011, now 3:1

- Global macroeconomics exaggerated the natural course of the secondary offering market
    - QE2's positive effect during 2010 carried over into 2011
    - Debt ceiling debate during 2011 acted as a counterbalance, spilling over into 2012
    - QE3 launched in late 2012, however, with diminishing effect
    - Data shows these events cut across all aspects of the secondary offering market
        - Gross capital raised
        - Distribution of capital raises
        - Average capital raised

- Average size of secondary offerings continues to decline but for a positive reason

  2011 - £6.90m ($11.04m) 2012 - £4.66m ($7.46m) 2013 - £4.58m ($7.33m)

- Relative number of AIM-listed companies completing secondary offerings rises again

  2011 - 45% 2012 - 48% 2013 - 54%

	IPO Funds Raised (in £ millions)	Secondary Offering Funds Raised (in £ millions)
2011	560	3,616
2012	695	2,478
2013	1,025	2,716
Total	**2,280**	**8,810**

Since the LSE launched AIM in 1995, an aggregate of £84 billion ($134 billion) has been raised for growth-oriented SMEs, £37 billion ($59 billion) for IPOs and £47 billion ($75 billion) for Secondary Offerings. It appears as if AIM just entered a new IPO cycle for two main reasons; one connected to the secondary offering market and the other driven by the global economy.

Since we are now a several years out from the global financial crisis, valuations for the vast majority of the companies listed on AIM are now 'fair' and, as these companies have naturally

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matured, they simply require less growth capital, causing investors to shift towards IPOs. There is evidence of this shift in that the ratio of secondary offering funds raised to IPO funds raised was 6.5:1 during 2011, reducing to 3.6:1 during 2012 and further reducing to 2.6:1 during 2013.

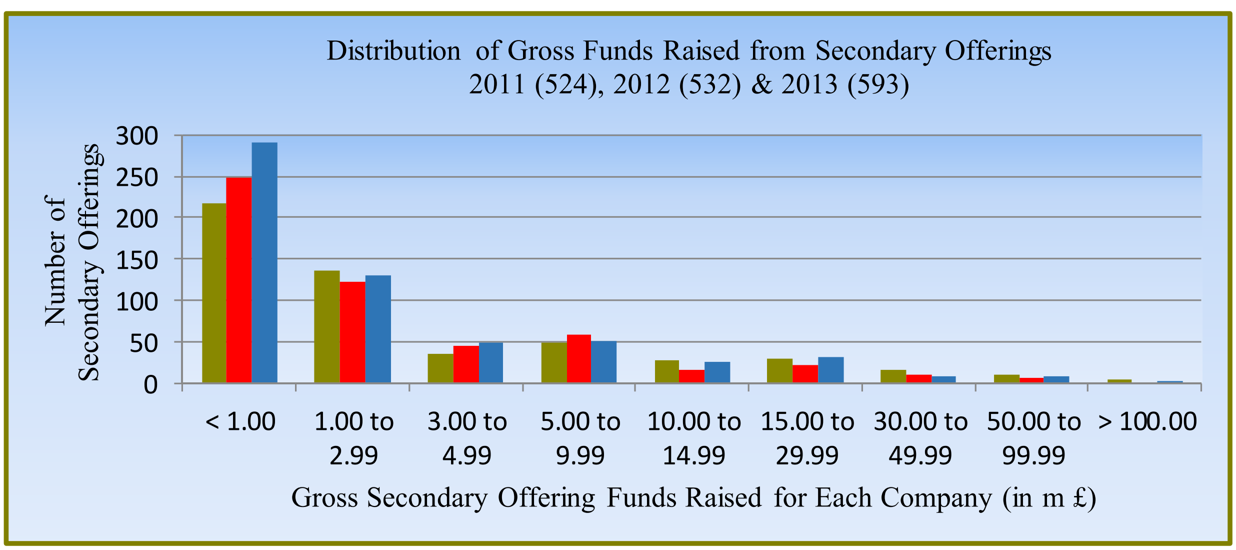
The macroeconomic healing process in the developed world is largely complete and sustainable growth is gathering pace in the UK and U.S. in particular. While 57% of the 1,087 companies listed on AIM are based in the UK, only 40% of AIM IPOs from 2011 - 2013 were for UK companies. Over that same timeframe, there has been a relative surge of AIM IPOs from Africa, China and the U.S., accounting for 11%, 10% and 9%, respectively. The internationalization of AIM is expected to continue, however, the focus should shift towards the U.S. since the vast majority of African IPOs were natural resource focused, which is currently out-of-favor, and China finally lifted its moratorium on domestic IPOs that had been in place since October 2012.

Global macroeconomic developments exaggerated, and are highly correlated with, secondary offering activity. The pattern is easy to spot with respect to the ***gross secondary offering funds raised*** since an average of 1,130 companies have been listed on AIM since 2011 (i.e. lots of data points), however, such a firm conclusion cannot be drawn with respect to the IPO market since, by its very nature, it consists of relatively few discrete transactions during any given year.

QE2's positive effect in 2010 carried over into 2011. When the debt ceiling debate unfolded during the summer of 2011, secondary offering activity contracted. The launch of QE3 in 2012 had a diminished effect. These events cut across all aspects of the secondary offering market.

The table below shows that the ***distribution of gross funds raised from secondary offerings*** is also consistent with this pattern, shifting from larger to smaller. The chart provides more detail.

(in £ millions)	2011	2012	2013
< 3	67%	70%	71%
3 - 10	16%	20%	17%
10 - 50	14%	9%	11%
> 50	3%	1%	1%



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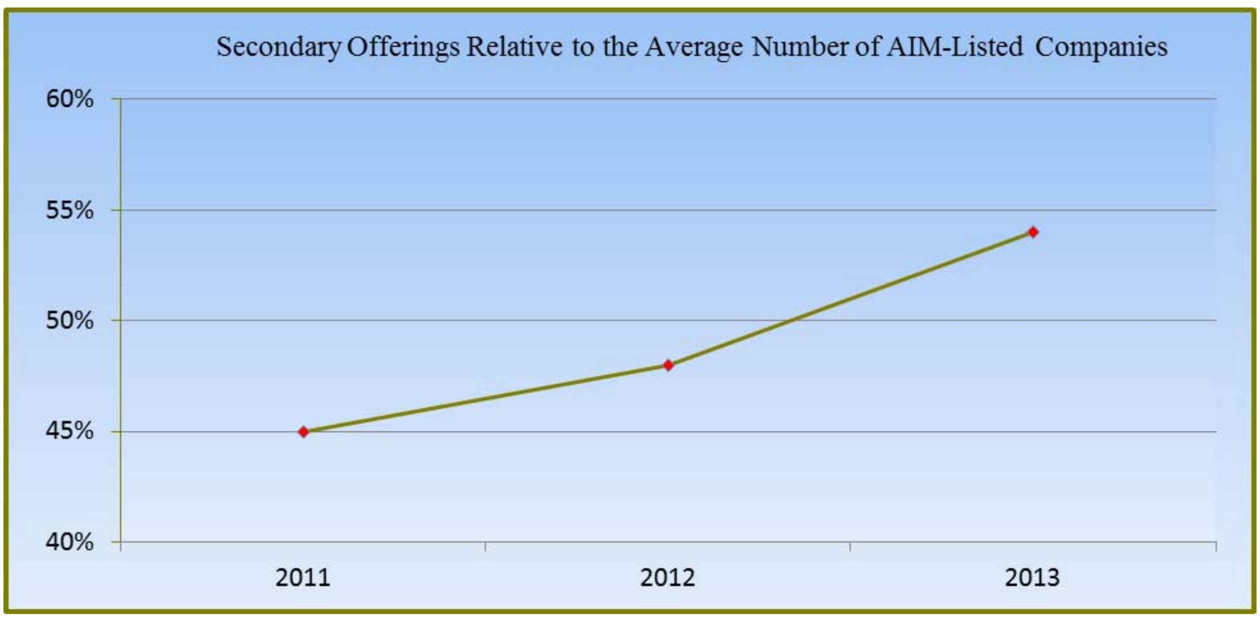
The next table shows that the ***average funds raised from secondary offerings*** is also consistent with these patterns.

	Number of Secondaries*	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2011	524	3,616	6.90
2012	532	2,478	4.66
2013	593	2,716	4.58
Total	**1,649**	**8,810**	**5.34**

* This is the number of discrete secondary offering transactions. Some companies completed more than one secondary offering per year.

On the surface, one might conclude that the companies that completed secondary offerings during 2012 and 2013 simply could not raise more capital; however, the fact is that these companies, and AIM now in its 18th year, have matured quite a bit since 2011 and simply require less growth capital.

The chart below shows that approximately 50% of all AIM-listed companies complete a secondary offering each year, which is the litmus test of success for a stock exchange focused on growth-oriented SMEs.



If one were to look back to 2008 - 2010, the vast majority of weak companies were expelled in the wake of the global financial crisis as investors selected those that would remain by providing access to secondary offering funds. Generally speaking, secondary offering funds raised from 2011 - 2013 have been used to execute on organic and/or acquisitive growth opportunities.