

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

IPO Activity – 2014

Highlights

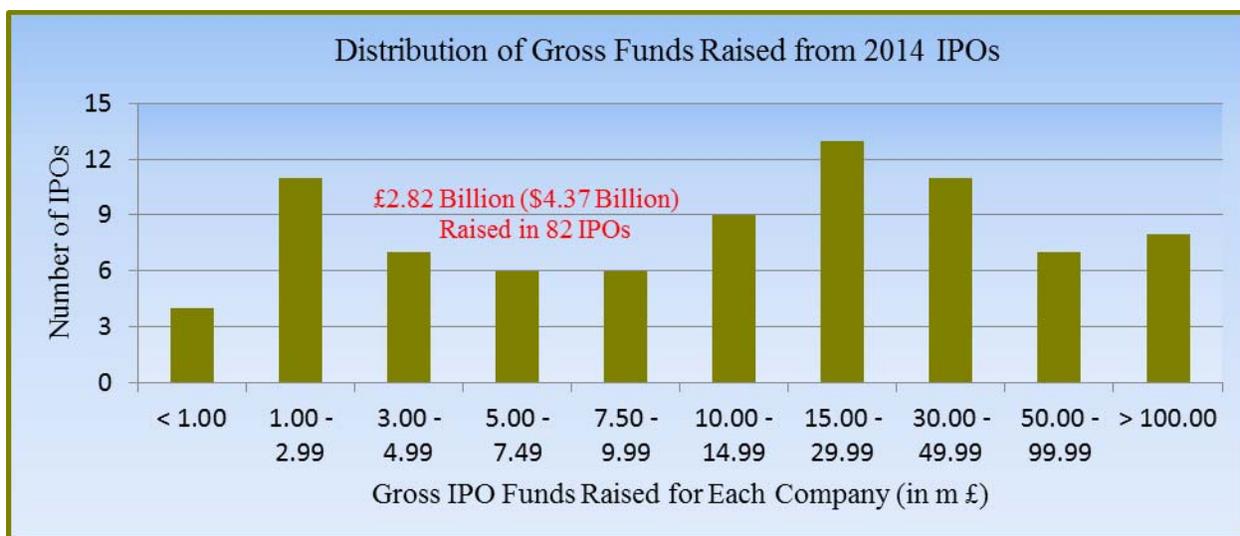
- 82 companies completed IPOs on AIM during 2014, a 32% increase over 2013
 - 27 included meaningful equity and/or debt liquidity events for selling shareholders
- £2.8 billion (\$4.4 billion) raised for IPOs during 2014, an 175% increase over 2013
 - More IPO capital raised during 2014 than in 2011, 2012 and 2013 combined
- Average IPO raised £34.4 million (\$53.3 million), median £12.0 million (\$18.6 million)
 - At a cost of 6.5% and 11.4%, respectively, of gross funds raised
- 72% of IPOs raised between £3 million and £100 million (\$5 million and \$155 million)
- Average opening MC of £88 million (\$136 million), median £48 million (\$74 million)
- 79% of MCs between £10 million and £250 million (\$16 million and \$388 million)
- IPO dilution of existing shareholders amounted to 27%
- Average post-IPO free float of 44%
- Average and median share price return of 9% and 5% since IPO (median date 6/30/14)
 - FTSE AIM All-Share Index fell 17% during 2014 and 11% from 6/30 - 12/31/14
- 47 of the 82 companies generated revenues > £2 million (range £2 million - £322 million)
 - Median trailing pre-money revenue multiple of 1.82
 - Those w/o significant revenues broadly in oil and gas, tech or basic materials
- 28 of the 82 companies earned profits > £1 million (range £1 million - £19 million)
 - Median trailing pre-money P/E ratio and EBITDA multiple of 17.77 and 10.24
- Industry and geographic dispersion and financial profile of the 82 companies - pages 5 - 8
- Detailed descriptions and insights into the 82 companies - pages 8 - 13

	Number of IPOs	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2011	45	560	12
2012	45	695	15
2013	62	1,025	17
2014	82	2,818	34
Total	234	5,098	22

The table above shows that all indicators were up for the second year in a row and, in fact, more capital was raised on AIM for IPOs during 2014 than in 2011, 2012 and 2013 combined.

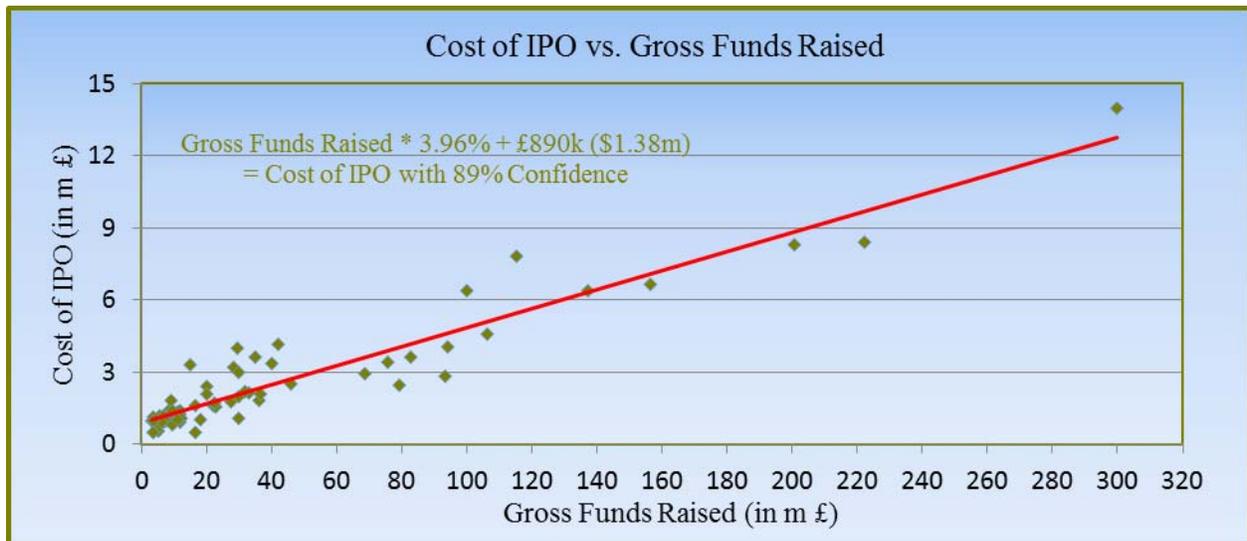
From a sectoral perspective, consumer services' businesses accounted for 26% of AIM IPOs during 2014, although, it is interesting to note the significant technology component; more than half had as their main strategy the engagement of consumers online and/or via mobile. Financial companies accounted for 15%, healthcare and industrials each accounted for 12%, technology for 10%, consumer goods for 8% and there were even four telecommunications IPOs on AIM during 2014, accounting for 5% of the total. The oil and gas and basic materials sectors remained in the doldrums, accounting for an aggregate of 11% of AIM IPOs during 2014 whereas they accounted for 21% and 33% of the IPOs in 2013 and 2012, respectively.

The chart below provides the distribution of gross funds raised from AIM IPOs during 2014. While private equity and other long-term shareholders engineered some unusually large transactions in the context of AIM, the sweet spot for AIM IPOs remains between £3 million and \$100 million (\$5 million and \$155 million).



Of the aggregate gross funds raised, 74% was for the companies and 26% was for selling shareholders, which were present in 27 of the IPOs, with 23 selling a meaningful equity stake and/or receiving repayment of shareholder debt and an additional four solely receiving repayment of shareholder debt. While the average amount of gross capital raised was £34.4 million (\$53.3 million), the median was only £12.0 million (\$18.6 million).

The equation in the chart at the top of the next page can be used to predict the cost of an AIM IPO with 89% confidence. The 63 data points represent the gross funds raised and associated costs for the non-Investing Company IPOs that raised at least £3 million (\$5 million). Since these 63 companies raised an average of £42.5 million (\$65.9 million), the expected cost would be £2.6 million (\$4.0 million) or 6.1% of the gross funds raised.



The average and median offering costs for all 82 AIM IPOs amounted to 15% and 11%, respectively, of the gross funds raised, however, the average, in particular, is skewed by a number of relatively small IPOs where the fixed costs dominate.

The chart below provides the distribution of opening market capitalizations. The average company's opening market capitalization was £88 million (\$136 million) whereas the median was £48 million (\$74 million). The sweet spot for market capitalizations on AIM is between £10 million and £250 million (\$16 million and \$388 million).



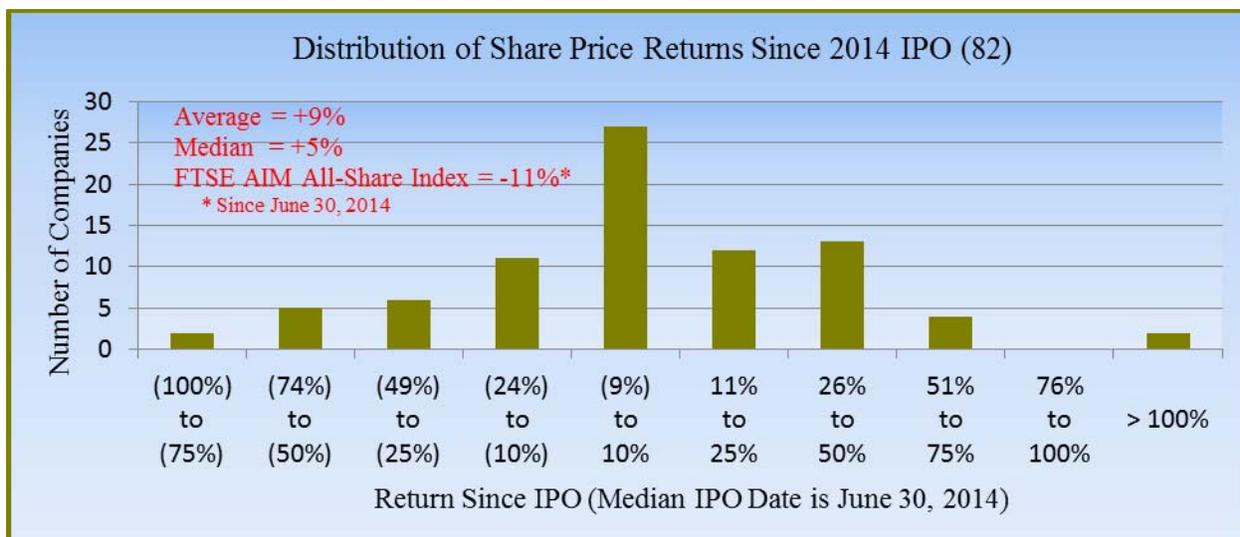
The aggregate opening market capitalization of the 82 companies that completed IPOs on AIM during 2014 was £7.2 billion (\$11.2 billion). The average and median post-IPO free float of these companies was 44% and 41%, respectively.

The first chart on the next page tells a number of stories with respect to the IPO dilution of existing shareholders. Toward the end of the last bull market for AIM IPOs in 2007, the quality

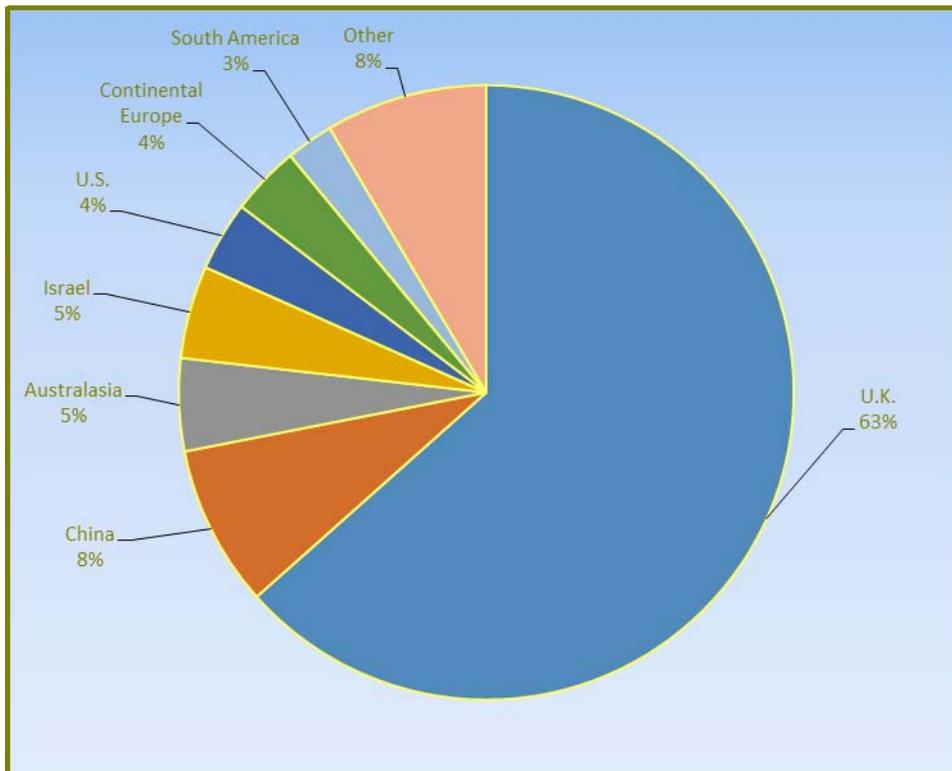
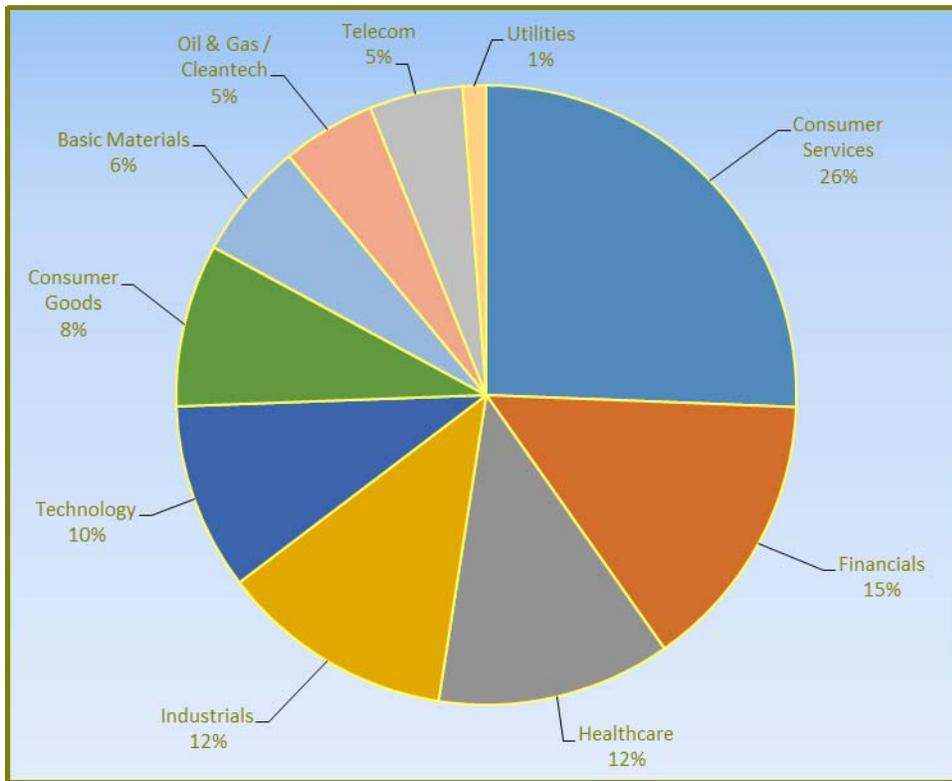
of the companies decreased, which led to an increase in dilution. In response, the London Stock Exchange codified the AIM Rules for Nominated Advisers, which increased the scrutiny of prospective new entrants by Nomads. This led to higher quality companies completing IPOs and a decrease in dilution (2009 is an anomaly given the lack of IPOs), which was exacerbated by the global financial crisis and investor aversion to risk. The second half of 2013 represented the start of a new bull market for AIM IPOs, however, now the quality of the companies is outstanding and the increase in dilution is a result of company and investor demand for larger capital raises.



The final chart in this section provides the distribution of share price returns since each of the 82 companies completed their IPOs through December 31, 2014. It should be noted that the median IPO date just happens to be June 30, 2014, therefore, the average and median returns of +9% and +5%, respectively, only represent, on average, half a year. As a point-of-reference, the FTSE AIM All-Share Index fell 17% during 2014 and 11% from June 30, 2014 through December 31, 2014; therefore, the relative performance of the 82 IPOs has been quite strong.



Industry and Geographic Dispersion and Revenue and Profitability Profile



Revenue and Profitability*	U.K. (52)	China (7)	Australasia (4)	Israel (4)	U.S. (3)	Other (12)	Totals (82)
Consumer Services (21)	7 SR & SP 3 SR 2 Neither	2 Neither	1 SR & SP	2 SR & SP 1 SR		1 SR & SP 1 SR 1 Neither	11 SR & SP 5 SR 5 Neither
Financials (12)	4 SR & SP 1 SR 5 Neither					2 SR	4 SR & SP 3 SR 5 Neither
Healthcare (10)	2 SR & SP 2 SR 4 Neither		1 Neither		1 SR		2 SR & SP 3 SR 5 Neither
Industrials (10)	2 SR & SP 3 SR 1 Neither		1 SR		1 Neither	1 SR 1 Neither	2 SR & SP 5 SR 3 Neither
Technology (8)	1 SR & SP 4 Neither	1 Neither			1 SR	1 SR & SP	2 SR & SP 1 SR 5 Neither
Consumer Goods (7)	2 SR & SP 1 Neither	1 SR & SP		1 SR		1 SR 1 Neither	3 SR & SP 2 SR 2 Neither
Basic Materials (5)	1 Neither	2 SR & SP 1 Neither				1 Neither	2 SR & SP 3 Neither
Oil & Gas / Cleantech (4)	2 Neither		1 Neither			1 Neither	4 Neither
Telecoms (4)	2 SR & SP 2 Neither						2 SR & SP 2 Neither
Utilities (1)	1 Neither						1 Neither
Totals (82)	20 SR & SP 9 SR 23 Neither	3 SR & SP 4 Neither	1 SR & SP 1 SR 2 Neither	2 SR & SP 2 SR	2 SR 1 Neither	2 SR & SP 5 SR 5 Neither	28 SR & SP 19 SR 35 Neither
* Significant Revenues (SR) and Significant Profitability (SP) are defined as > £2 million and > £1 million, respectively.							

AIM-listed companies are organized into 90 sub sectors, which feed into 40 sectors, which feed into 10 super sectors. The first pie chart on the previous page illustrates the relative number of AIM IPOs in each super sector during 2014. Since the classifications can be deceptive, the table at the end of this newsletter on pages 8 - 13 provides some detailed descriptions and insights into the individual companies.

The second pie chart on the previous page shows the main country of operation for the companies that completed IPOs on AIM during 2014. Consumer services' businesses accounted for 26% of the IPOs, although, it is interesting to note the significant technology component; more than half had as their main strategy the engagement of consumers online and/or via mobile.

Financial companies accounted for 15%, healthcare and industrials each accounted for 12%, technology for 10%, consumer goods for 8% and there were even four telecommunications IPOs on AIM during 2014, accounting for 5% of the total. The oil and gas and basic materials sectors remained in the doldrums, accounting for an aggregate of 11% of AIM IPOs during 2014 whereas they accounted for 21% and 33% of the IPOs in 2013 and 2012, respectively.

Unsurprisingly, the U.K. is the main place of operation for more AIM-listed companies than any other country. Approximately 59% of the 1,100 companies listed on AIM are based in the U.K. Given the fact that the global financial crisis affected the U.K. more deeply and for longer than many other countries, the trend away from U.K. company IPOs on AIM has reversed in response to satisfying pent-up U.K. demand. While only 31% of AIM IPOs were for U.K. companies in 2012, this figure grew to 53% in 2013 and 63% during 2014.

Of the 82 companies that completed AIM IPOs during 2014, 47 (57%) generated significant revenues (i.e. > £2 million or \$3 million) during their most recent financial year with the range being £2 million - £322 million (\$3 million - \$499 million). The average trailing pre-money revenue multiple was 2.89 and the median was 1.82. Of the 47 companies that generated significant revenues, 28 (60%) earned significant profits (i.e. > £1 million or \$2 million), with the range being £1 million - £19 million (\$2 million - \$29 million). The average trailing pre-money P/E ratio and EBITDA multiple for the 28 companies that earned significant profits was 26.14 and 16.61, respectively, and the medians were 17.77 and 10.24.

Of the 52 U.K. companies that completed AIM IPOs during 2014, 29 (56%) generated significant revenues during their most recent financial year. Of these 29 companies, 20 (69%) earned significant profits. The comparative metrics for 2013 were 67% and 36%, respectively, indicating that, on the one hand, investors during 2014 were willing to back more early-stage U.K. companies but, on the other, were demanding that more of those that generated significant revenues had also earned significant profits. Of the 30 companies from outside the U.K. that completed AIM IPOs during 2014, 18 (60%) generated significant revenues. Of these 18 companies, eight (44%) earned significant profits. The comparative metrics for 2013 were 48% and 57%, respectively, indicating that investors wanted to see more commercial traction but are willing to wait a little longer for significant profits.

Only one of the 82 companies that completed its AIM IPO during 2014 did so via the ‘fast track route to AIM’, where their securities were traded on an AIM Designated Market (ADM) for at least the previous 18 months. In this case, the UKLA Official List (i.e. the London Stock Exchange’s Main Market) was the ADM. Two additional companies migrated from the Main Market to AIM during 2014, however, neither were able to utilize the fast track route since fundamental changes in their businesses triggered the requirement to produce an AIM Admission Document. During 2013, two of the 62 AIM IPOs utilized the fast track route, both with the UKLA Official List as the ADM, and during 2012, two of the 45 AIM IPOs utilized the fast track route, both with the Australian Securities Exchange (ASX) as the ADM. Companies utilizing the fast track route do not have to produce the typical AIM Admission Document but rather a brief, but detailed, pre-admission announcement. The 10 ADMs are the top tier markets of the ASX, Deutsche Börse Group, Johannesburg Stock Exchange, NASDAQ, NYSE, NYSE Euronext, NASDAQ OMX Stockholm, Swiss Exchange, TMX Group and UKLA Official List.

The migration of companies to AIM from the ICAP Securities & Derivatives Exchange (ISDX, formerly the PLUS Stock Exchange and formerly OFEX) in the U.K. continues with four of the 82 companies that completed IPOs on AIM during 2014 having been previously listed on ISDX. During 2013 and 2012, six of the 62 companies and two of the 45 companies, respectively, that completed IPOs on AIM were previously listed on ISDX.

A couple final points to note during 2014 are that one company simultaneously completed its IPO on AIM and the Enterprise Securities Market of the Irish Stock Exchange (ESM), one dual listed on AIM from the Singapore Exchange Securities Trading Limited Mainboard (SGX-ST), one dual listed on AIM from the TSX Venture Exchange (Toronto) and one was listed on the entry level of the Frankfurt Stock Exchange but delisted five months before its AIM IPO.

<p>Consumer Services (21)</p>	<p>One intends to become the leading fashion ecommerce website in India, one is the U.K.'s largest pure-play online own brand fashion retailer, one is the largest hotel operator in Ireland, one is a global digital publisher and marketing company that attracts paying users from different online channels and directs them to online gambling operators, one is a dealer in rare and antiquarian books and other works on paper to public institutions and collectors around the world, one is the owner and operator of 'boutique hostels' which provide a level of accommodation between traditional hostels and budget hotels, one is a U.K. branded café and casual dining group offering cakes, pastries, snacks, meals and hot and cold drinks, one is a U.K. specialist value footwear retailer, one is a provider of proprietary technology solutions for optimizing online advertising revenue for publishers (i.e. website owners) globally, one is a U.K. consumer marketing business focused on the U.K. personal injury market, one is an online retailer with established flash sales sites in Australia, New Zealand and Southeast Asia that provide a complete B2B solution for brands to dispose of excess inventory, one is a provider of specialized mobile marketing services to mobile network operators in emerging markets, principally the Middle East, one is an international owner, developer, operator and franchisor of 'super budget' branded hotels, one develops, promotes and distributes lottery products online, via mobile and through physical retail outlets in China, one provides residential mortgage brokers with an online platform to compare the conveyancing and related legal services of solicitors, one has developed an online and mobile platform that powers ad networks, agencies and publishers, enabling the delivery of relevant digital advertising through the analysis of Big Data, one operates a chain of Greek restaurants in the U.K., one provides home improvements and energy efficient products and services to homeowners in the U.K., one white labels its mobile gaming platform for implementation with large commercial organizations that have established online audiences in the regulated, real money gaming (RMG) and freemium gaming spaces, one holds licenses to operate online poker games and tournaments and create national lottery products/games in China and one hosts eSports tournaments attended by leading international players and teams and a website for gaming news,</p>
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	content and interaction on which eSports enthusiasts can compete against or view competitors playing a range of popular electronic games
Financials (12)	One is an established German commercial real estate company, one is an investing company that intends to create a portfolio of companies whose growth and success is linked to the world's changing demographics with investments focused on health and wellness (aging population), resources (energy, food, water and housing), the rise of the middle class (particularly in Asia) and ecommerce, one is a specialist long-term income U.K. REIT with a portfolio that includes some of the U.K.'s top visitor attractions and theme parks and 21 private hospitals, one is an independent financial advisory and discretionary wealth management firm, one acquires interests in luxury goods business focused on the manufacture and distribution of footwear and clothing in France, Morocco and the U.K., one has developed a cloud-based peer-to-peer payments platform that enables personal and business customers to make multi-currency payments in a broad range of currencies and across a range of FX products, one intends to acquire controlling stakes in quoted and unquoted businesses focused on the U.K. and European automotive, support services, leasing, engineering or manufacturing sectors, one provides independent advice on mortgages and protection and general insurance products, one is an investing company with a private equity style value investment philosophy focused on relatively differentiated, specialist or illiquid assets of small and medium sized companies and they intend to develop an asset management business either organically or through one or more acquisitions, one creates, funds and develops businesses in the Midlands and the North of the U.K. that combine technology and services, are rich in intellectual property, scalable, require relatively modest capital infusions and are focused on advanced materials, engineering and specialized manufacturing, electronics and hardware, digital and life sciences, one intends to combine the iconic real estate assets of the major markets located in Camden Town in Central London with a planned e-commerce platform to create a virtuous circle of synergies and benefits through the development of an online retail leisure and lifestyle presence that is expected to deliver greater revenues for the online business and for the physical markets and one is a buy-to-let U.K. REIT specializing in residential property with a long term vision of becoming a consolidator in the growing private rented sector
Healthcare (10)	One is a newly formed pharmaceutical company which intends to develop pharmaceutical assets by utilizing management's understanding of, and access to solutions for, the technical, regulatory, clinical and financial challenges that are required to bring novel therapeutics to market, one supplies research tools, built around their proprietary translational genomics platform, which consists of a high-precision and flexible suite of gene editing tools, to organizations engaged in genomics research and the development of personalized medicines for modeling the disease-causing mutations found in genetically-based diseases, allowing customers to identify the effect of individual or compound genetic mutations on drug

	<p>activity, patient responsiveness, and resistance, which may lead to the successful prediction of which patient sub-groups will respond to currently-available and future drug treatments, one is a developer and manufacturer of hands-free robotic exoskeletons made of mechanical legs linked by a strong hip girdle for use by people with mobility impairments, allowing them to stand and walk autonomously without the need for crutches or supports, one provides services and technologies to biopharmaceutical companies that enable the development of, for example, therapeutic antibodies and proteins, with better efficacy, fewer side effects, more predictable quality and/or improved patient compliance, one manages clinical development and trials for pharma and biotech companies and provides drug development services with particular expertise in oncology, neurology, immunology and the development of orphan drugs, one provides ultrasound education and training to medical professionals with simulator hardware systems and a library of software modules to teach and assess specific ultrasound-scanning skills in a virtual reality environment, allowing the trainee to literally feel what they see on the computer screen so as to develop the complex mix of necessary cognitive skills and hand-eye coordination, one is a drug development company with unique technology that generates accurate, experimentally-derived dynamic solution 3D structures of drug molecules for drug discovery and drug candidate optimization used in collaboration with the pharmaceutical industry and to build its own proprietary pipeline of high-value therapeutic candidates, one is a nanomedicine company developing and commercializing multiple therapeutic products via two platform technologies; one enabling targeted delivery ('right place') and the other sustained release ('right time') of drugs via gold nanoparticles and polymer microspheres, respectively, one is a healthcare services organization that provides outsourced revenue cycle management, practice management and group purchasing services to hospital-based physicians and physician groups and one is a manufacturer, supplier and service provider of non-standard pharmaceutical products to pharmaceutical wholesalers, retail pharmacies, hospitals, pharmaceutical companies and the homecare and care home markets</p>
<p>Industrials (10)</p>	<p>One is a vertically-integrated innovator in pallet development, manufacture, supply and management, one is an independent mail, parcels and logistics end-to-end network operator in the U.K. and Ireland, one is a spin-out from the University of Leeds that developed a patented reusable and recyclable polymer bead cleaning systems for intended use in the laundry, leather processing, garment finishing and metal cleaning industries, one is an international provider of payment services, risk management and IT solutions for businesses that wish to accept or make online payments, one is a vertically-integrated international energy consulting, engineering and power generation (wind, solar and diesel) firm, one is a home safety products' supplier of smoke and carbon monoxide alarms and related accessories, one is a specialist supplier of technical fluid power products (hydraulic and industrial hosing and valves and pumps), one is a vertically</p>

	<p>integrated manufacturer of extrusions, moldings and fabricated low maintenance building products for the repair, maintenance and improvement, new build property and social housing sectors, one is an aerospace services company that provides training solutions, management systems and consultancy services to the international aviation market, particularly in relation to unmanned aerial systems and one provides contractors from a database of over 23,000 global professionals for the provision of project, quality, environmental and health and safety management services in Australia, Oceania and Southeast Asia for the construction, engineering, petrochemical and coal seam gas sectors</p>
<p>Technology (8)</p>	<p>One has developed a proprietary search engine that uses a client’s search parameters to identify relevant cutting-edge technology and intellectual property developed by leading universities and research institutions for possible acquisition where the company can also provide the client with access to their science advisory board and/or broker the acquisition, one provides a digital transaction platform to the retail and hospitality industries for the secure multi-channel issuance, management and redemption of promotional offers, gift vouchers and loyalty-based rewards, one is a cloud-based Big Data analytics platform that combines four key technologies; data extraction, cleansing, enrichment and visualization, one provides amusement park operators in China and Malaysia with the ability to manage and analyze tickets, visitors, merchandise sales and other amusement park operations, one provides software and services to mobile operators and enterprises that integrate into the ‘last mile’ of delivery over mobile networks, internet infrastructure or social media platforms, allowing enterprises to use mobile as a channel to create new revenue streams, as a CRM and customer engagement channel and to improve business efficiency, one develops, manufactures and distributes various satellite communications technologies under its own name and as an OEM for BskyB, DISH and EchoStar, one is a technology and service provider to credit reporting agencies and channel partners, allowing them to help employers perform background checks on existing and prospective employees, and the company directly provides employers with an automated, web-based drug and alcohol testing and results review service and one is a SaaS supplier of ecommerce search, merchandising and recommendation technology that is overlaid on a retailer's ecommerce site, enhancing the customer's experience and the sales performance of the site</p>
<p>Consumer Goods (7)</p>	<p>One is a supplier of buttons, buckles, trimmings and accessories to the clothing and related industries, one is a consumer healthcare company that develops products for the aging population in the areas of food supplements to help lower LDL cholesterol and improve brain function and memory, dermo-cosmetics and cosmetics for skin ageing and hair loss and medical devices for improving conditions such as minor aches and pains, dry eyes and itchy skin, one is a designer, creator and provider of innovative formalwear tailoring for globally renowned department stores and premium private label brands, one is a designer, manufacturer and wholesaler of</p>

	<p>wooden doors, wall panels and assorted fixtures, such as fitted wardrobes, cupboards and skirting boards, and furniture in China and for export, one is the world's leading supplier of premium carbonated mixers for alcoholic spirits provided to hotels, restaurants, bars, cafes and select retail outlets, one owns, develops and operates cacao plantations and one is a global music and audio products company that supplies hardware and software to professional and amateur musicians for the production of high quality music</p>
<p>Basic Materials (5)</p>	<p>One has developed a proprietary scalable plasma process, embodied in its manufacturing machines and the processes performed in them, to functionalize graphenes and other nanomaterials which it intends to commercialize with raw material producers and industrial corporations for use in battery and energy storage, electronic devices, including bio-medical sensors, conductive inks and films and polymer composite fillers and resins since graphene, as a single carbon lattice layer, has outstanding thermal, mechanical and electrical properties, one is a Hong Kong-based trader in non-ferrous metals, principally aluminum and copper, that it imports from a variety of international sources and resells into China for processing into a 'clean' form for sale to foundries, one is a development-stage explorer and developer of industrial mineral projects, with a primary focus on borates and lithium, one is the largest producer of ammonium sulfite and the second largest producer of ammonium bisulfite in China where these chemicals are used in the sustainable manufacture of paper from waste materials such as straw and one is a manufacturer and distributor of stainless and carbon steel pipe connectors (press fittings) for use in industrial and residential piping systems where these thin-walled pipe connectors reduce installation time and cost compared to the more traditional methods of joining pipes, such as welding or the use of threaded connections</p>
<p>Oil & Gas / Cleantech (4)</p>	<p>One intends to discover, appraise and develop oil and gas resources in naturally fractured basement reservoirs across the U.K. Continental Shelf, one is a vertically-integrated turbine supplier and project owner in the Scottish tidal energy power industry, one is an oil exploration and development company focused on overlooked and emerging resource in New Zealand and Australia and one has entered into a production sharing contact with Niger to acquire a 100% working interest in a significant oil and gas exploration license which it plans to appraise and hopefully develop</p>
<p>Telecoms (4)</p>	<p>One owns, builds and operates fiber optic infrastructure and is the largest independent provider of fiber infrastructure to mid-sized cities and major towns in the U.K., providing gigabit capable infrastructure for enterprise and public sector organizations, service providers, mobile network operators and businesses, one is the leading communication solutions' provider on the Isle of Man, offering a wide range of fixed line, broadband, mobile, and datacenter services to businesses, consumers and the public sector, one provides communications services to the U.K. business market; including, cloud-based private branch exchange (PBX), inbound call control and session initiation protocol trunking for handling VoIP, which are all designed to meet the increasingly complex voice, data and mobility</p>

	<p>requirements of businesses and one is a cause-based, commercial, mobile virtual network operator (MVNO) marketed through a viral, online global community platform (i.e. a viral network) offering customers monthly and pay-as-you-go mobile contracts that allow them to direct 10% of their monthly bill to a cause of their choosing at no additional cost to them and the company contributes 25% of its profits to a foundation they set up as a registered U.K. charity</p>
<p>Utilities (1)</p>	<p>This company is a renewable energy developer that owns and operates small-scale, clean wood, gasification plants (to generate electricity and heat) and develops and operates biomass boiler projects, fuelled by wood chips or pellets, to supply localized heating and hot water to schools, care homes, rural business parks, agricultural facilities and health spas</p>