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

Secondary Offering Activity – 2016

Highlights

- £4.1 billion ($5.1 billion) raised for secondary offerings during 2016, 2nd most since 2010
    - This follows £4.9 billion ($6.1 billion) raised for secondary offerings in 2015

- The month after the Brexit referendum and the month of the U.S. election raised the most
    - £786m and £663m in July and November, next closest was £392m in December
    - From 2011 - 2015, only two months have raised more than July and November

- £1.1 billion ($1.4 billion) raised for AIM IPOs during 2016, up 75% from 2015
    - Selling shareholders raised £424 million ($530 million), a record 37% of the total

- Unsurprisingly, 65% of the 1,000 companies listed on AIM are based in the UK
- Africa has 64 companies listed on AIM for 6%, the U.S. 47 for 5% and China 25 for 3%

- End-of-decade expectation is the U.S. will have more AIM-listed companies than Africa
    - Healthcare and technology-enabled businesses will be the main drivers
    - African IPOs were natural resource focused, sector virtually closed to investment
    - China is in turmoil and investors fundamentally don't trust Chinese companies

- The U.S. is best placed to capitalize on and continue the internationalization of AIM
    - UK investors desire exposure to USD assets and revenue streams
    - UK investors seek high-quality, growth-oriented SMEs

- Average size of secondary offerings during 2016 remained quite healthy

  2012 - £4.66m ($5.83m) 2013 - £4.58m ($5.73m)

  2014 - £5.39m ($6.74m) 2015 - £8.11 ($10.14m) 2016 - £6.29 ($7.86)

- Consistent rise in the relative number of AIM-listed companies completing secondaries

  2012 - 48% 2013 - 54% 2014 - 55% 2015 - 57% 2016 - 64%

- Distribution of secondary offerings retained its 'barbell' pattern during 2016
    - < £3m and > £10m raises were 80% of activity, now 85%
    - £3m - £10m raises were 20% of activity, now 15%

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

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Since the London Stock Exchange launched AIM in 1995, an aggregate of £100 billion ($125 billion) has been raised for growth-oriented SMEs, £42 billion ($52 billion) for IPOs and £58 billion ($73 billion) for Secondary Offerings.

The table on the previous page shows that gross funds raised for AIM IPOs surged by 75% during 2016. Of particular note during 2016 was the fact that selling shareholders in the IPOs raised a record 37% of the total. While the gross funds raised for secondary offerings shrank by 18% during 2016, the £4.1 billion ($5.1 billion) raised was the 2nd most since 2010 with only 2015 surpassing 2016 with £4.9 billion ($6.1 billion) raised.

The most interesting insights provided by the secondary offering market during 2016 were in reaction to the Brexit referendum and the U.S. Presidential election. The Brexit referendum was held in late June and £786 million of secondary offering capital was raised in July, the largest month of 2016. The U.S. Presidential election was held in early November and £663 million was raised in November, the 2nd largest month of 2016 with December's raising of £392 million in 3rd place. These are not coincidences, particularly when placed in a historical context; from 2011 - 2015 only two months have raised more than July and November.

In both cases, there may have been some pent-up demand that was released but the reality is that the secondary offerings completed as opposed to being pulled. For many UK-based SMEs, their trade with the EU is not material; they're focused domestically and/or on selling into growth markets in Asia and/or the Americas. In fact, in the case of the latter, their products and services immediately became 15% more price competitive given the sharp decrease in the value of the British Pound. With respect to the U.S. Presidential election, it is the hope that pro-growth policies will materialize in the world's largest economy and spillover internationally. These two political events appear to foretell that the special relationship that has existed between the UK and the U.S. since World War II will becoming even closer economically, culturally and strategically.

At the macro level for AIM, unsurprisingly, the UK is the main place of operation for more AIM-listed companies than any other country or continent. 65% of the 1,000 companies currently listed on AIM are based in the UK. Africa has 64 companies listed on AIM for 6%, the U.S. 47 for 5% and China 25 for 3%.

The end-of-decade expectation is that the U.S. will have more AIM-listed companies than Africa and will further extend its lead over China. Healthcare and technology-enabled businesses will be the main drivers, sectors that are particularly well represented in the U.S. The vast majority of African companies listed on AIM are natural resource focused, which is a sector that is virtually closed to investment. China is in turmoil and investors fundamentally don't trust Chinese companies.

The U.S. is undoubtedly best placed to capitalize on and continue the internationalization of AIM. UK investors desire exposure to USD assets and revenue streams from high-quality, growth-oriented SMEs.

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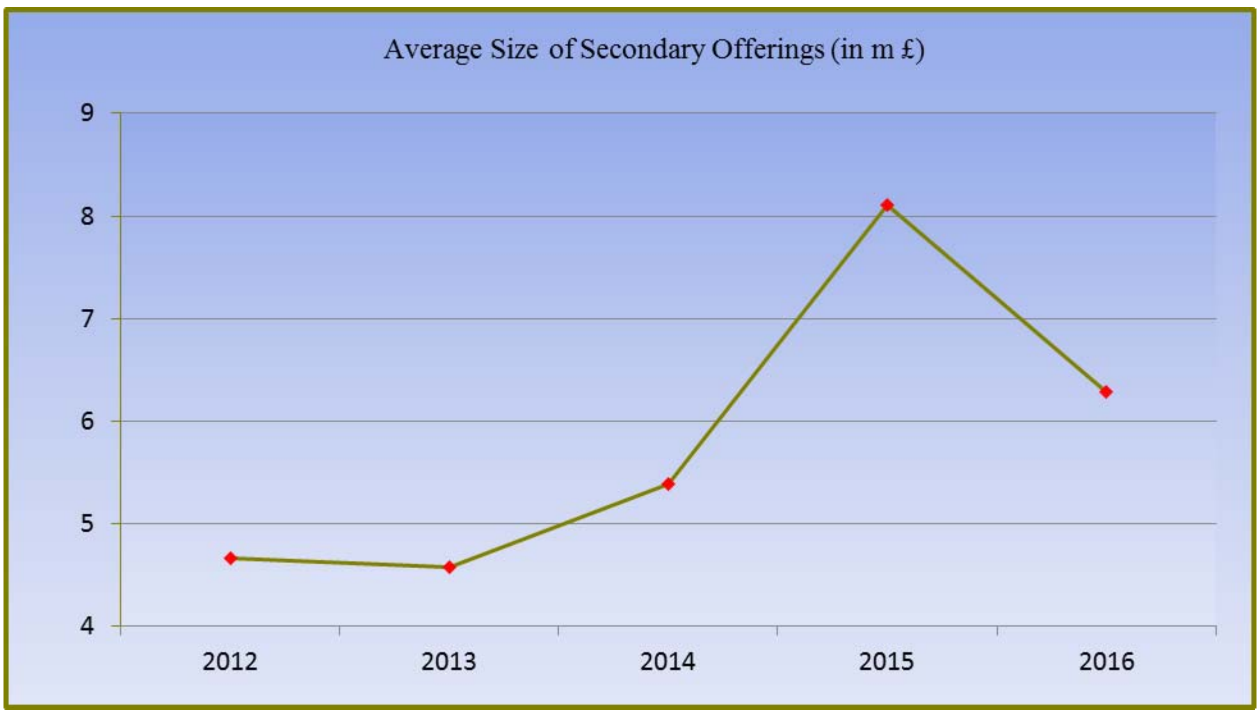
The table below shows that ***gross funds raised from secondary offerings*** decreased by 18% during 2016 compared to 2015 but both years raised substantially more than any other year since 2010. The allocation of capital tends to shift from secondary offerings to IPOs and vice versa given the mood of the markets. While approximately £900 million less was raised for secondary offerings during 2016, approximately £500 million more was raised for AIM IPO.

	Number of Secondaries*	Gross Funds Raised (in £ millions)	Average Funds Raised (in £ millions)
2012	532	2,478	4.66
2013	593	2,716	4.58
2014	607	3,269	5.39
2015	609	4,936	8.11
2016	645	4,056	6.29
Total	**2,986**	**17,455**	**5.85**

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

The ***average size of secondary offerings*** during 2016 remained quite healthy as shown in the table above and the chart below.



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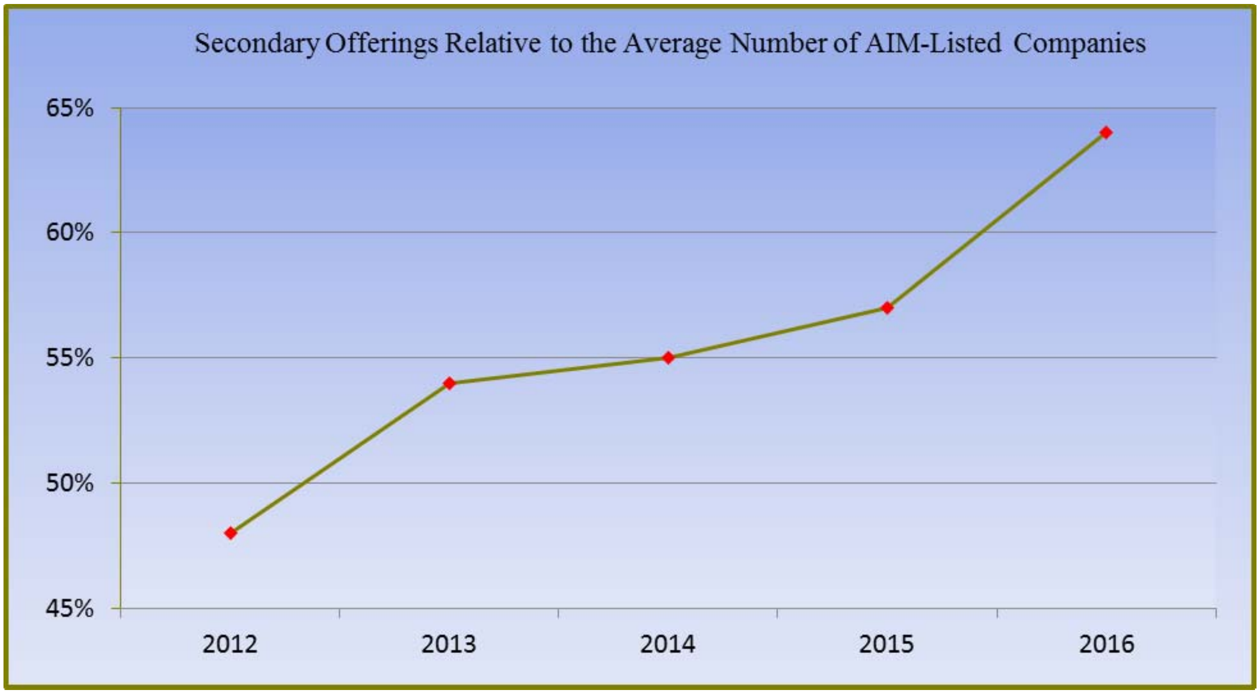
The chart below shows that there has been a consistent rise in the relative number of AIM-listed companies completing secondary offerings, from 48% in 2012 to 64% in 2016. The robustness of the secondary offering market on AIM is indisputable, which is the litmus test of success for a stock exchange focused on growth-oriented SMEs.



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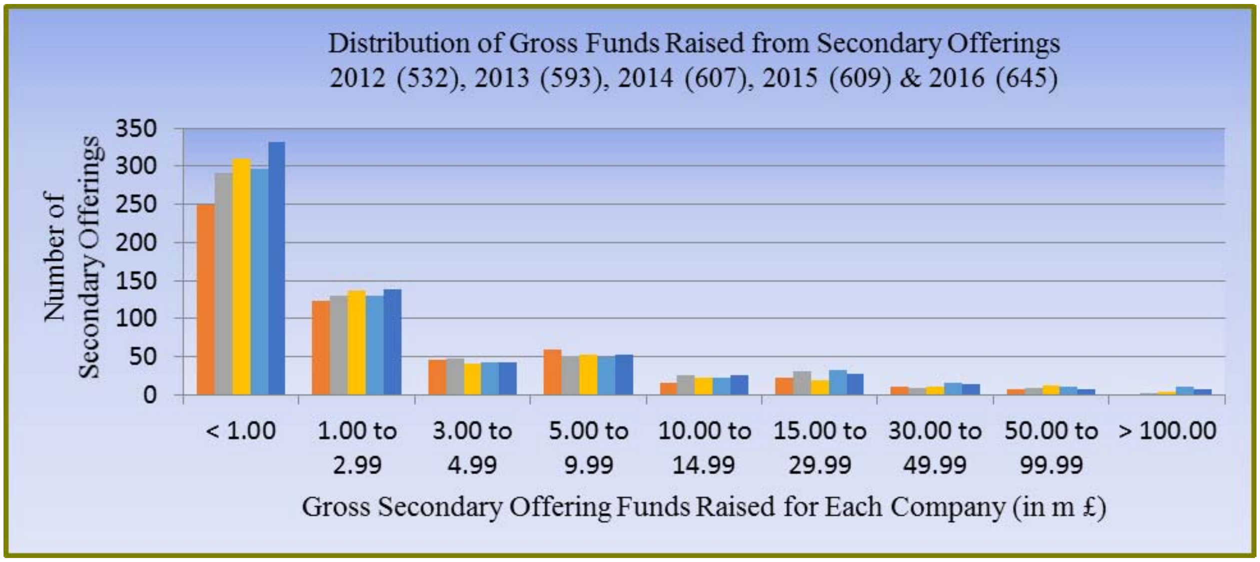
The table below illustrates the ***distribution of gross funds raised from secondary offerings*** retained its 'barbell' pattern during 2016, with raises of less than £3 million and more than £10 million accounting for 85% of activity. The chart below the table provides more detail.

(in £ millions)	2012	2013	2014	2015	2016
< 3	70%	71%	74%	70%	73%
3 - 10	20%	17%	15%	15%	15%
10 - 50	9%	11%	8%	12%	10%
> 50	1%	1%	3%	3%	2%



Coming out of the global financial crisis, which lingered in Europe through 2012, AIM largely consists of two classes of growth-oriented SMEs; those that are very close to self-sustainability and only require small cash injections and those that have achieved significant scale and are using the secondary offering market to raise substantial amounts of additional capital to aggressively acquire competitive and complementary businesses.