

# AIM

## THE WORLD'S LEADING GROWTH STOCK MARKET



AIM is the London Stock Exchange's international market for smaller growing companies and is the most successful growth market in the world. There are approximately 1,100 companies listed on AIM with a total market capitalisation of around £70bn.

20% of these companies are registered outside the UK, a proportion that has grown substantially in the last 10 years from only 8% at the start of 2004. Taking account of the country of operation of each AIM company, rather than just country of incorporation, over 40% of current AIM companies are international, operating in over 100 countries.

After a period of consolidation during the economic downturn, the number of AIM companies is growing again, as the capital markets have re-opened to new equity investment. In 2014, 118 new companies were admitted to AIM, raising £2.6bn of equity funds. This represents an increase of nearly 120% on new admission proceeds of £1.2bn compared to 2013. In addition, existing AIM listed companies raised over £3.3bn in further issues in 2014, a 20% increase on the already substantial further issue proceeds in 2013 of £2.7bn.

AIM has been so successful in attracting international companies because it offers a wide range of benefits, including:

- Access to the world's largest and deepest pool of capital for investment, both on admission and for subsequent funding rounds
- Access to the advice and support of an experienced community of advisers who understand the needs of ambitious, growing companies
- Provision of a platform for companies to raise their profile on an international scale
- A system of regulation that is flexible enough to respond to the needs of smaller, growing businesses.

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### BDO UK CAPITAL MARKETS

**3** AIM IPOs **£564m<sup>1</sup>**  
in 2014 funds raised

**no. 1** for exceptional client service<sup>2</sup>

**£2.46bn** market capitalisation<sup>3</sup> | **no. 1** reporting accountant<sup>4</sup>

1. Total for the 23 AIM IPOs for which BDO was reporting accountant
2. Independent research (mid Market Monitor 2012, 2013 and 2014) undertaken by Meridien West shows BDO has the highest client satisfaction rating amongst its peers.
3. Total for the 23 AIM IPOs for which BDO was reporting accountant
4. On AIM IPOs for the fourth consecutive year

### BDO INTERNATIONAL

**US\$7 billion<sup>1</sup>**  
2014 REVENUE

**151** Countries **1,350** Offices  
**60,000** Staff

1. US\$7bn (£5.62 bn) combined fee income 2014





## EASE OF ACCESS

AIM has been very successful in attracting international growth companies, reflecting its accessible admission criteria and the relative simplicity of its admission process. Unlike the London Stock Exchange's Main Market and a number of other markets, there are no minimum criteria in a number of areas as follows:

- No minimum market capitalisation or company size criteria
- No minimum length of trading history
- No minimum number of shares in public hands
- No requirement for a UK or London office.

Instead of minimum requirements, a nominated adviser is responsible to the London Stock Exchange for assessing the appropriateness of an applicant for AIM. This regime allows a flexible approach to be adopted to suit the circumstances of each applicant.

An applicant is generally required to produce an admission document, which in most circumstances does not require approval from UK regulatory authorities. The nominated adviser is generally responsible for approving the admission document and ensuring that AIM's admission rules are adhered to. If an offering is being made to the public, a prospectus is required to be prepared and must be approved by UK regulatory authorities. Fundraisings on AIM therefore tend to be institutional placings which avoid the need for a prospectus.

The admission process normally takes approximately 3 months.

## FAST TRACK OPTION

There is a fast track option available to companies already listed on certain other international markets, including the TSX and ASX. The key features of the fast track admission process compared to the normal process are as follows:

- No admission document required<sup>1</sup>; only a detailed announcement required instead
- No historical financial information required in the announcement; published accounts can be relied upon, provided admission is not more than nine months after the date of those accounts
- Fast track process typically takes 4 to 6 weeks, compared to approximately three months for a normal admission.

<sup>1</sup>Unless an offering to the public is also contemplated, in which case a prospectus is required.



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