



Accessing London Capital Markets Forum An Overview of UK Equity Capital Markets

October 2015 – Phnom Penh

An IPO– Why choose London?

- Largest International stock market in the World
- Largest and most liquid equity market in Europe
- A diverse range of markets available for emerging and for large companies
- Proven and reliable infrastructure with balanced regulation
- The largest pool of investors dedicated to international companies
- The largest exposure to analysts than any other financial centre
- 115 countries represented on London stock markets
- All economic sectors are represented, especially financials, technology and oil and gas
- Proven access to secondary funding

In summary – London can provide liquidity, profile and investors

The infrastructure and experience makes London the world's premier listing choice



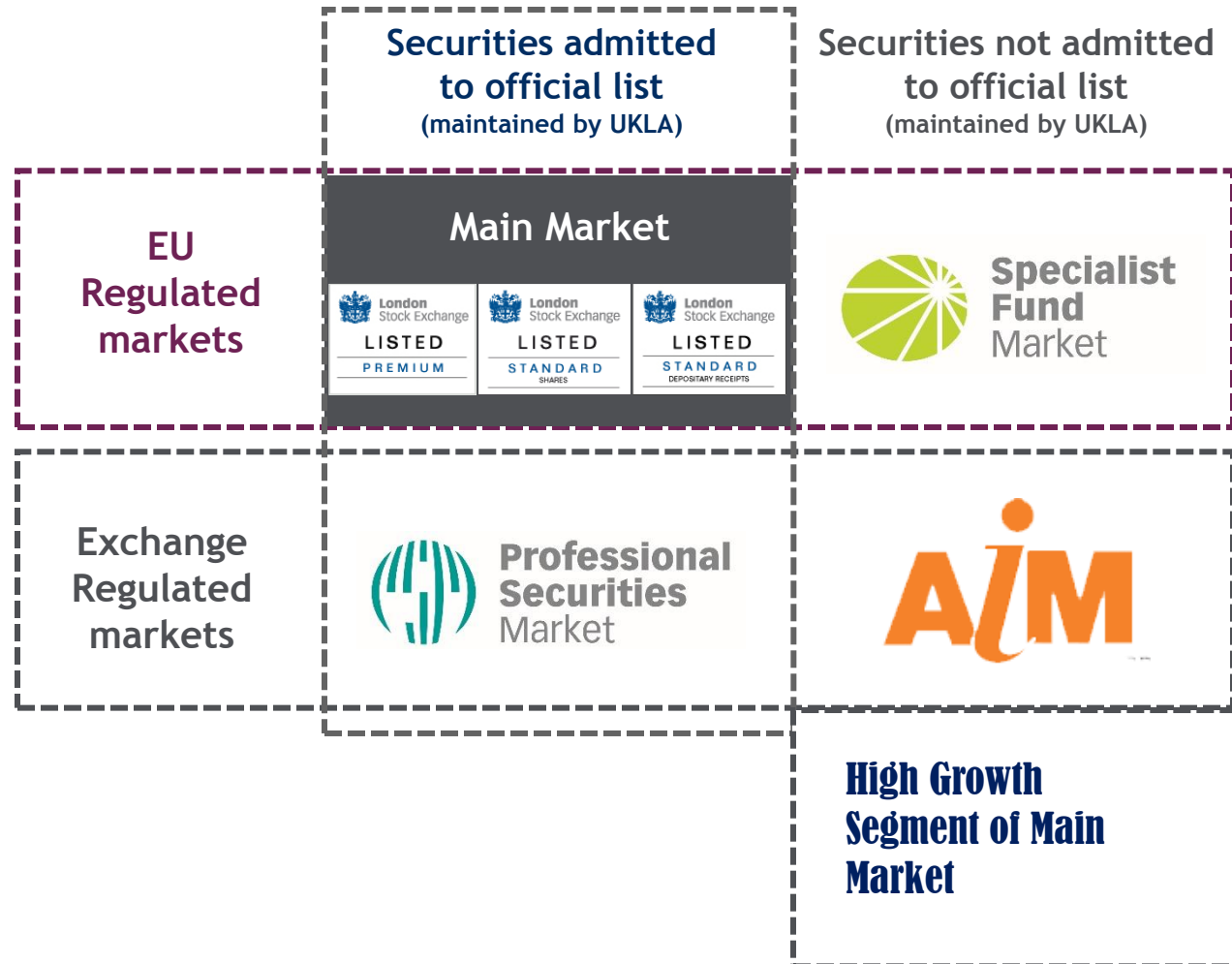
London is consistently ranked as the best financial centre to do business by The Global Financial Centres Index research conducted by Z/Yen. The research is provided for 77 centres and it draws on questionnaire and analysis of external indices. The latest report includes 26,180 financial centres assessments from 1,890 financial services professionals.

London Stock Exchange offers a diverse range of markets

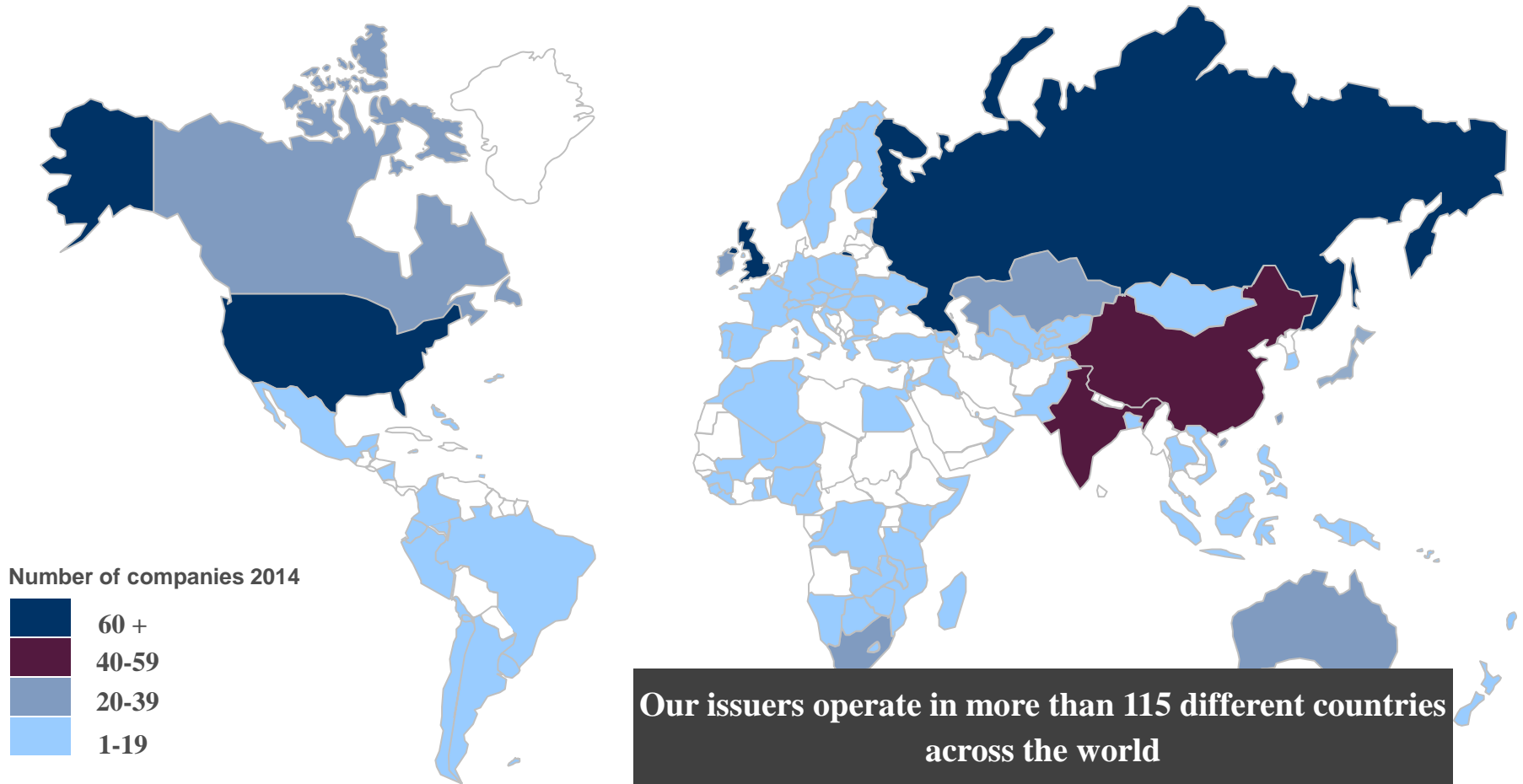
Offering choice to issuers:

The choice of market will depend on a number of factors including:

- Stage in a company's development
- Complexity of the offer and securities issued
- Target investors
- Company's size
- Company's strategy and objectives



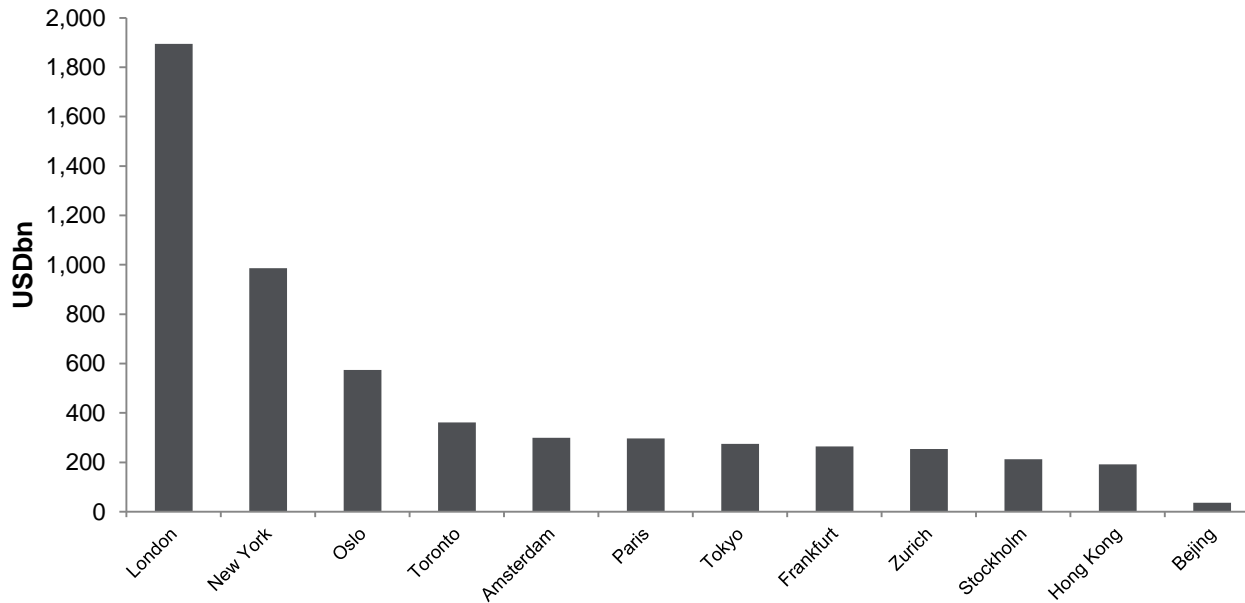
LSE Listing - Access to Global Community



Source: London Stock Exchange statistics. Based on country of primary business.

London Leads in International Equity

Equity AUM held in International Portfolios, by Metro Area (Q1 2015)*



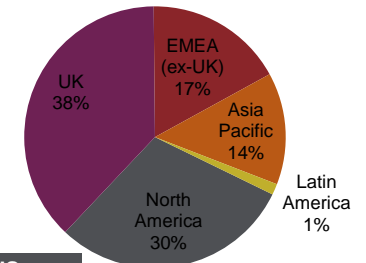
- London remains the largest centre of investment in international equity. This quarter London investors' exposure to international equity remained largely flat, following consistent increases in the last five consecutive quarters.
- London listed companies continue to enjoy support of investors based outside London, predominately from the US, the rest of Europe and Asia.

Source: Facset and LSE calculation, June 2015

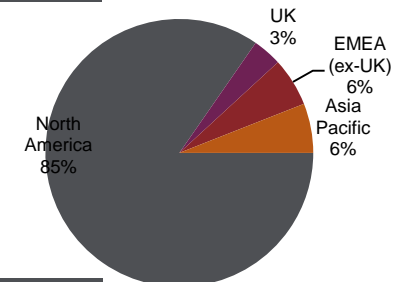
*international portfolios defined as investment in companies with a domicile different to the country of domicile of the portfolio manager

Domicile of Top 50 Investors in Listed Securities by Country

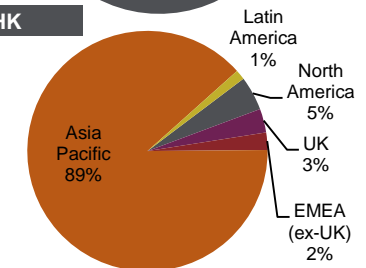
UK



US



HK



Premium Listing on the Main Market

Key eligibility requirements

Listing Rules	<ul style="list-style-type: none"> • Compliance with the Listing Principles (LR 7) • Appointment of a sponsor • 75% of the business to be supported by a historical financial information • Control over the majority of the entity's assets • Independent business as main activity • Unqualified working capital statement • Minimum 25% shares in public hands • Minimum market capitalisation GBP 700,000 • Free transferability of securities • Eligible for electronic settlement
Accounts	<ul style="list-style-type: none"> • 3 years of audited financial information* • Latest accounts no more than 6 months old (Interims included if accounts more than 6 months old)* • EU IFRS or equivalent
Corporate Governance	<ul style="list-style-type: none"> • UK Corporate Governance
Prospectus	<ul style="list-style-type: none"> • Prospectus approved by the UKLA
Admission & Disclosure Standards	<ul style="list-style-type: none"> • Compliance with the London Stock Exchange's Admission and Disclosure Standards

Key continuing obligations

Periodic Reporting	<ul style="list-style-type: none"> • Annual Financial Report (four months after the end financial period) • Half yearly financial report • Interim Management Statement • Significant transactions (class tests)
Listing Rules	<ul style="list-style-type: none"> • Pre-emption rights extended to existing shareholders • Model code
Disclosure and Transparency Rules	<ul style="list-style-type: none"> • Inside information made public without delay • List of insiders • Major shareholder notification • Directors Dealings • Related party transactions
Corporate governance	<ul style="list-style-type: none"> • UK Corporate governance – comply or explain • Statement in the annual report
Sponsor	<ul style="list-style-type: none"> • To be retained at all time

*Does not apply to mineral or scientific research companies

Standard Listing of Shares on the Main Market

Key eligibility requirements

Listing Rules	<ul style="list-style-type: none"> • Minimum 25% shares in public hands in one or more EEA States • Minimum market capitalisation GBP 700,000 • Free transferability of securities • Eligible for electronic settlement • 12 month working capital statement
Accounts	<ul style="list-style-type: none"> • 3 years of audited financial information (or such shorter period that the issuer has been in operation) • Latest accounts no more than 18 months old (if audited interims included) or 15 months old (if unaudited interims included). If accounts are older than 9 months, interims must be included. • EU IFRS or equivalent
Corporate Governance	<ul style="list-style-type: none"> • Domestic corporate governance code applies
Prospectus	<ul style="list-style-type: none"> • Prospectus approved by the UKLA
Admission & Disclosure Standards	<ul style="list-style-type: none"> • Compliance with the London Stock Exchange's Admission and Disclosure Standards

Key continuing obligations

Periodic Reporting	<ul style="list-style-type: none"> • Annual Report (four months after the end financial period) • Half yearly financial report
Disclosure and Transparency Rules	<ul style="list-style-type: none"> • List of insiders • Inside information made public without delay
Corporate governance	<ul style="list-style-type: none"> • Domestic Corporate governance applied • Corporate governance statement in the annual report

The Benefits of AIM

Access to capital

Diverse & deep pool of capital

Strong support from institutions

Funding for acquisitions & expansion to new markets

Tax benefits

BLACKROCK[®]



Experienced community of advisers

Nominated advisers

Accountants

Lawyers

Banks/Brokers

Analysts

Financial PR / IR

Media

Balanced regulatory approach

Disclosure requirements tailored to growing companies

Based on EU FSAP Directives & UK Prescribed Market Regime

Local & International investor confidence in regulatory framework

Profile

Visibility

Bargaining power with customers & supplier

Access to incremental research coverage

Marketability of stock

Global peer group

FTSE AIM Index Series

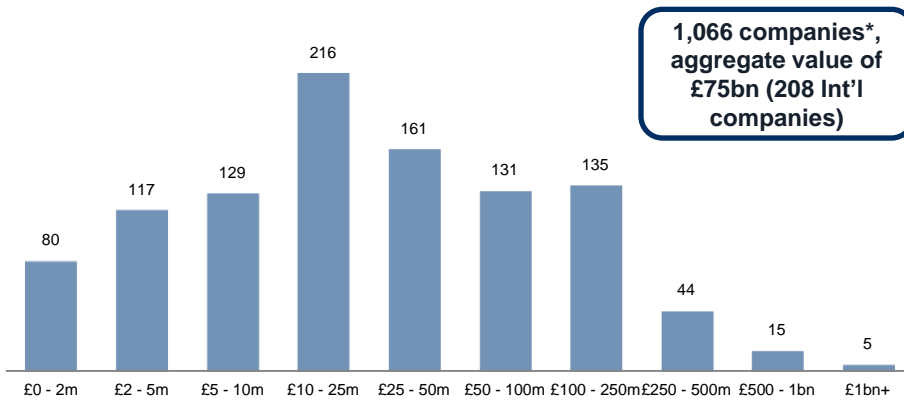


The AIM Adviser Team

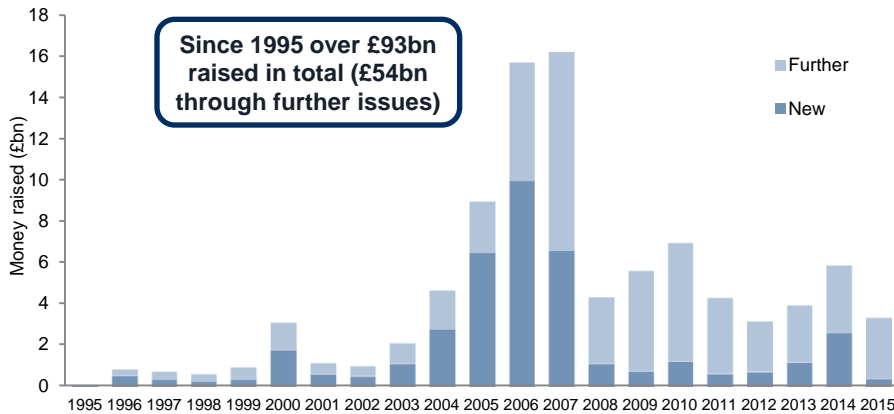


A Snapshot of AIM

Profile of AIM Companies



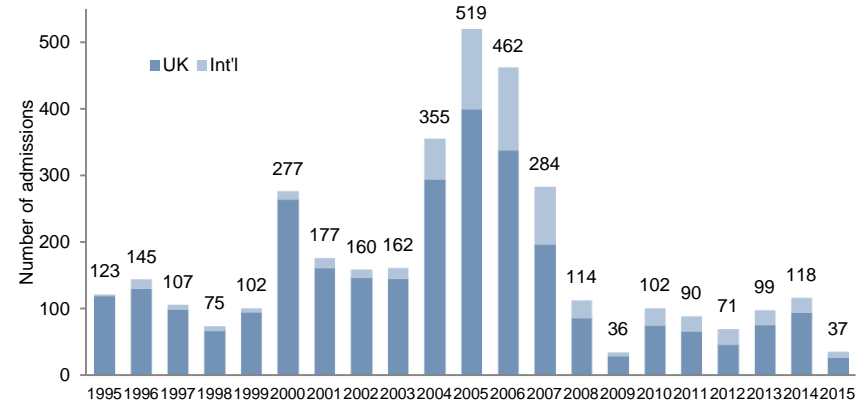
Fundraisings on AIM – 1995 to 2015



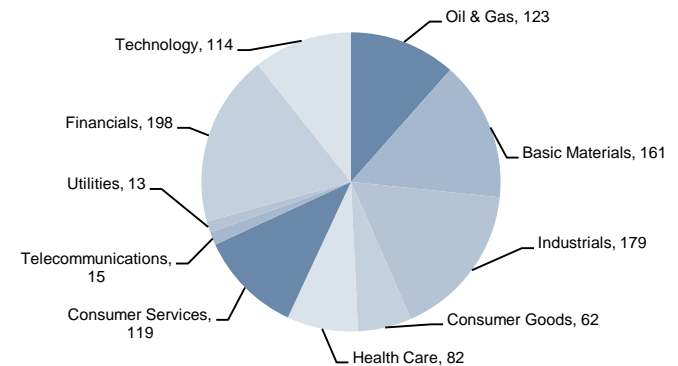
Source: LSE statistics, August 2015

*18 companies either suspended or undetermined value

Admissions to AIM – 1995 to 2015



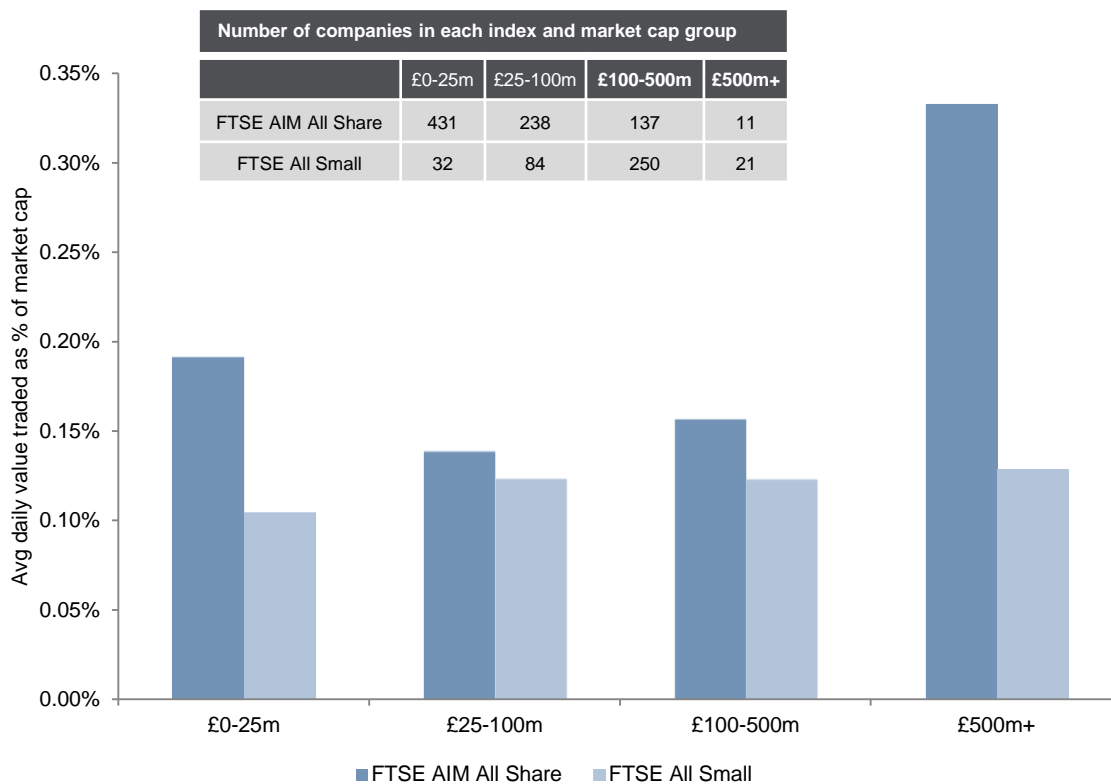
Industries* Represented – by Number of Companies



*ICB industry classification

Liquidity and Investors

AIM companies have comparable levels of daily liquidity to their Main Market peers*



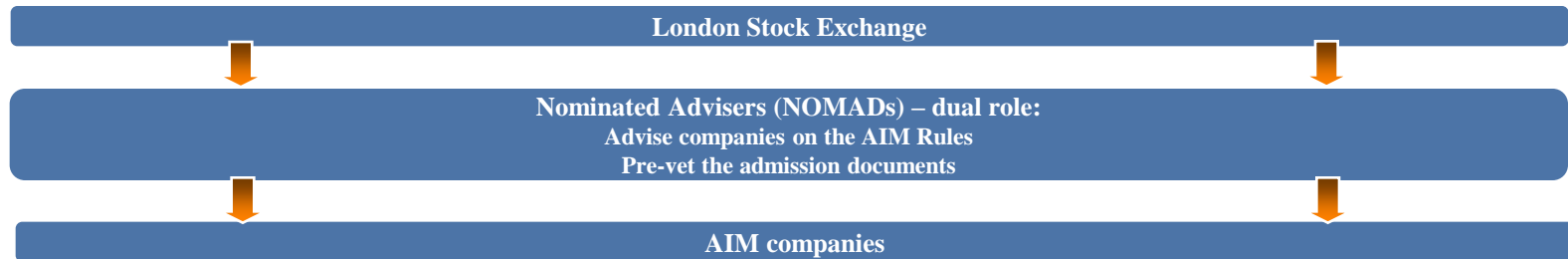
Top Institutional Holders	Market Value
Invesco Asset Management	£1,676.1m
Hargreave Hale	£1,170.3m
Henderson Global Investors	£955.8m
Schroder Investment Management	£876.0m
Standard Life Investments	£750.6m
BlackRock Investment Management (UK)	£740.2m
M&G Investment Management	£613.1m
Woodford Investment Management	£610.0m
Liontrust Investment Partners	£596.8m
Barclays Bank Plc (Private Banking)	£536.1m

- **Deep pool of institutional capital, an active retail investor base and specialist funds, including AIM VCTs**
- **Supported by a dedicated network of market professionals**
- **Liquidity is ultimately company specific, dependent on factors including free float, diversity of investor base & plans for future liquidity events**

Source: Data from Bloomberg (6 month average daily value traded before end of February 2015). Liquidity Analysis shows median within each market cap range. FactSet for institutional holders

*The FTSE All-Small Index consists of all the companies in the FTSE SmallCap and FTSE Fledging indices

AIM regulatory framework



Key eligibility requirements	
Rulebooks	<ul style="list-style-type: none"> AIM Rules for Companies and Nominated Advisers
Eligibility criteria	<ul style="list-style-type: none"> No minimum track record requirement or free float criteria, but company must demonstrate appropriateness to join a public market Appointment of nominated adviser
Admission documents	<ul style="list-style-type: none"> Pre-admission announcement at least 10 business days prior to admission AIM admission document Nomad declaration of appropriateness
Corporate governance	<ul style="list-style-type: none"> Adoption of corporate governance measures as appropriate for the business UK Corporate Governance Code / QCA Corporate Governance Code as best practice

Continuing obligations	
Periodic reporting	<ul style="list-style-type: none"> Audited Annual Report Half yearly financial report
Disclosure requirements	<ul style="list-style-type: none"> Price sensitive information to be made public without delay Significant shareholder notification Directors' dealings notification Company website with up-to-date regulatory information
Corporate transactions	<ul style="list-style-type: none"> Class tests to assess transactions Notification of substantial transactions, related party transactions Shareholder approval for reverse takeovers, fundamental disposals & cancellation
Adviser	<ul style="list-style-type: none"> To retain a nominated adviser at all times, failure to do so may result in suspension in the company's shares

AIM Trends at 30 June 2015

- 32 new joiners in H1 2015 (118 in 2014)
- 1,070 companies with average and median market capitalisations of £69m and £21m, respectively
- £2.3bn raised in total on AIM in first half of 2015, compared with £5.9bn raised in full year 2014
- 22 AIM companies were acquired during the period
- Average IPO fund raise £ 22m (2014: £39m)
- Average secondary fund raise for 2015 £6.5m (2014 £5.6m)
- In June 2015 £2.7bn of shares were traded with an average trade size of £5,600
- Most represented sectors in 2015 IPOs are consumer services, Financial, Healthcare, Industrials
- Most represented sectors in 2015 for secondary fundraising are Real Estate, Healthcare, Consumer Services and Finance

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