

## **Alternative Investment Market ( AIM )**

### **An attractive source of capital for dynamic companies**

**AIM** is a global financial market, created by the London Stock Exchange, for small and mid sized companies with a dynamic outlook. Since its launch in 1995, over 2100 companies have decided to enter the market. The success of the market is built on a simplified regulatory environment and a wide investor base. The perfect place to raise capital for further growth, finance acquisitions or go public with a listing on the FTSE All AIM Index.



#### **AIM in numbers:**

**1642** – number of companies listed on AIM

**311** – international companies on AIM

**548** – market capitalization (bn £)

**40** – number of represented sectors

**60** – capital raised since 1995 (bn £)

**278** – number of IPOs in 2006

**77** – international IPOs in 2006

#### **Why AIM ?**

- world's most successful growth market
- fast accessibility
- streamlined admission process
- balanced approach to regulation
- cost effective
- objective market valuation
- professional investor base
- international profile
- tax breaks
- exit strategy for existing shareholders

#### **Admission criteria**

- no minimum size
- no trading record required
- no minimum free float
- no prior shareholder approval required for transactions (most cases)
- admission documents pre-vetted by nominated advisor (NOMAD)
- NOMAD required at all times
- no minimum market cap

### The path to AIM:

- finding the right main advisor, that will guide the company through the whole process
- preparing the company for talks with potential NOMADs and Brokers
- choose, in cooperation with the main advisor, the market advisors needed to execute the IPO process
- attracting institutional investors
- book-building and selling stocks
- dealings start on AIM

### Market advisors needed to enter AIM :

- NOMAD – nominated advisor, dual role: primary responsibility to the London Stock Exchange and IPO advisor to the company
- Broker – coordinates the placing of the company's shares in the IPO process
- Auditors – financial and legal; provide an in-depth review of the company's position
- PR advisor – responsible for the company's communication with the market

### Typical IPO timetable

Table 1 Admission timetable

	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Test marketing															
Long-form report produced															
Accountants' report produced															
Working capital review															
Drafting of AIM admission document															
Legal due diligence report produced															
Verification															
Pathfinder completion															
Marketing															
Placing list finalised															
Placing proof prepared															
Placing proceeds received by broker															
Completion meeting															
Admission to AIM and dealings commence															
Proceeds of the placing paid to company															

### Costs on AIM

- average cost of raising capital on AIM is 6-8% of issue value
- costs of ongoing cooperation with the NOMAD, mandatory at all times, has to be budgeted going forward
- the ability for the company to negotiate with the NOMAD allows the company to maintain trade secrets and create a favourable transaction structure
- option mechanism – allows to use payment in options as an incentive to management

### AIM investors

- more than 60% of all transactions on AIM are held by institutional investors
- the biggest institutional investors on AIM are:
  1. CDS & Co. (4,8 bn EUR)
  2. Fidelity (1,5 bn EUR)
  3. Artemis (1,1 bn EUR)
  4. New Star (0,9 bn EUR)
  5. AMVESCAP (0,9 bn EUR)
  6. Merrill Lynch (0,8 bn EUR)



### Coffee Heaven International – Case Study

- chain of cafes, which originated from Poland, first opening – September 2000
- listed on AIM in November 2001 raising £1 million
- through further raises it has attracted almost £10 million in expansion capital
- as at February 2007 the group has 61 trading sites in 5 countries
- today's market cap is £44 million
- in the last 15 months, market cap has grown by 230%



Financier is a Warsaw based investment banking boutique, established in 2006. We specialize in raising all forms of capital for companies as well as business projects. We are also the first investment banking firm in Poland, that offers the complete range of possible capital raising opportunities and cooperates with the **Alternative Investment Market (AIM)**.

#### Our complete offer includes

- capital raising, IPO or other
- strategic and financial advisory
- negotiations
- advisory and organization of M&A
- MBO & LBO
- managing projects,
- writing and analyzing business plans
- financial modelling

The whole value of transactions, that Financier Partners were involved in exceeded well 6 bn EUR. We have worked with:

Elektrim, Michelin, PKO BP,  
Exbud, Cersanit, PGNiG, Żywiec,  
Heineken, Prokom, Hutchinson  
Whampoa, PZU, BAT, Stomil  
Olsztyn, Agora, Tele5, Provident  
Financial, Coffee Heaven

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