

London Stock Exchange

The World's Capital Market

November 2016



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Heart of the World's Capital Markets

Equities

2,300

Listed companies with aggregate market value of \$7 trillion

500+

international companies with a combined market value of \$3.7 trillion

11

IPOs raising over \$1bn in London in the last 3 years.

\$914bn

Raised in last 10 years from 2005 – 2015

Debt

14,700

Debt securities listed on LSE Main Market. Overall money raised exceeds \$4.8 trillion

375+

international government bonds from 34 different countries in 11 different currencies

\$338bn+

Raised by sovereign, regional and local governments

£257bn

Total on-exchange turnover in 2015

ETFs

1,300

ETFs and ETPs listed in London from 24 issuers

300%

Growth in European ETF trading volumes in the past 5 years

10

RQFII ETFs listed on LSE since 2014 giving investors exposure to Chinese A-shares directly.

43%

Market share of European ETF trading



Benefits of listing your company

Why is London the ultimate location?



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Why Consider a Listing?

Access to capital to grow the business – both at IPO and further capital raisings

Monetisation route for earlier stage investors

Broaden the shareholder base

Incentivisation of employees

Enhance profile & visibility - with customers & suppliers

Currency to fund business acquisitions & expand into new markets

Keep control of business destiny



Benefits of London

Access to deepest pool of international capital in the world

Proven levels of sustained liquidity

Quality of advisory community and sell-side research coverage

Choice of markets to cater for all sizes and stages of company

Respected and balanced regulatory environment

Enhanced profile and status

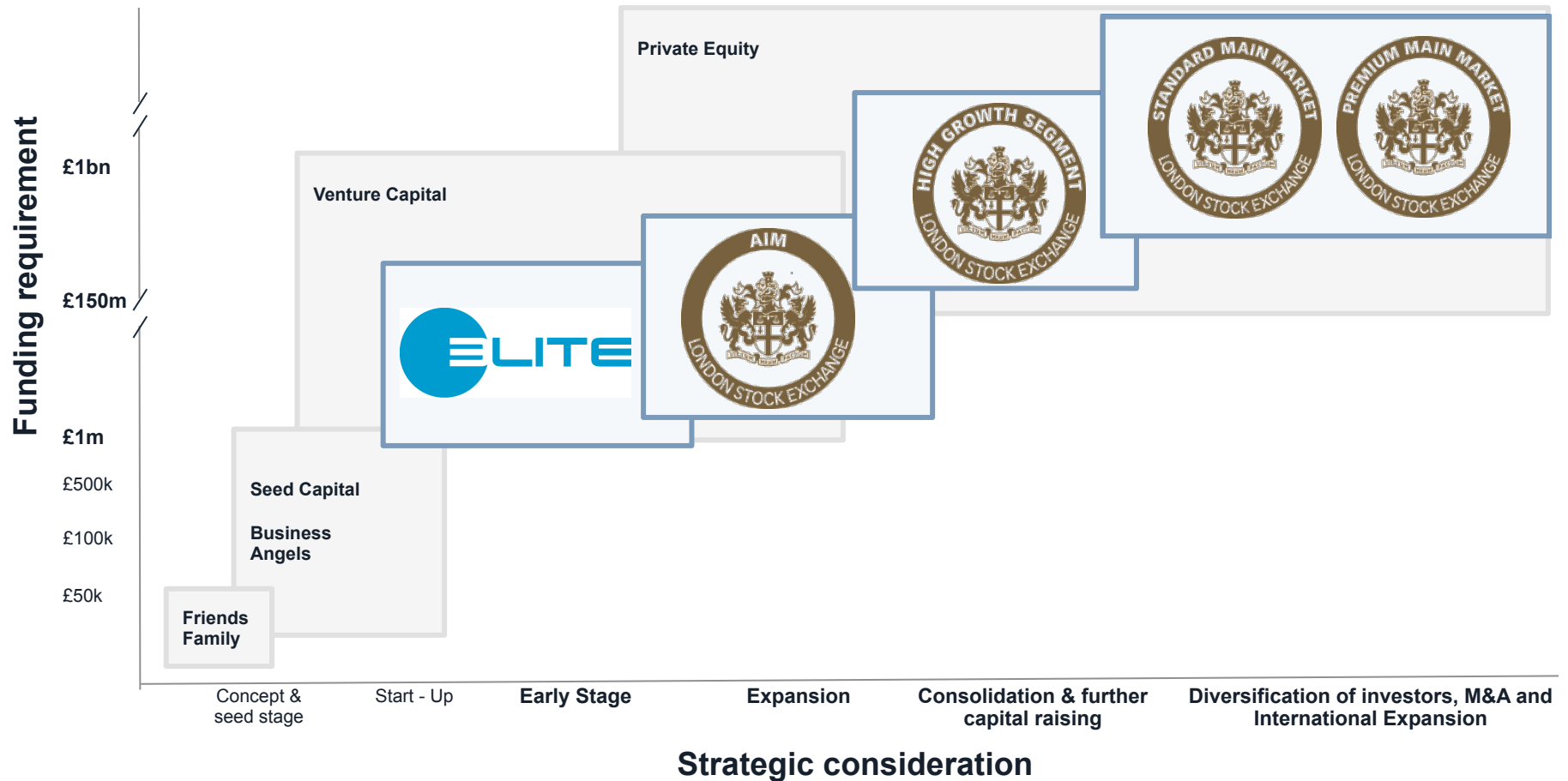
Most active European IPO market

Our Offerings Support Ambitious Companies

Helping private and public companies access the finance and support they need



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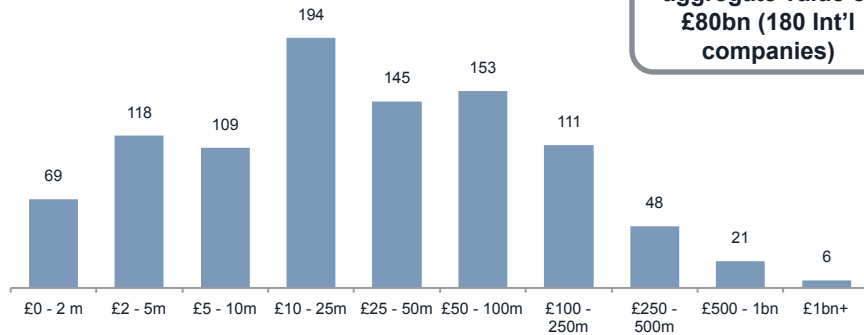


A Snapshot of AIM

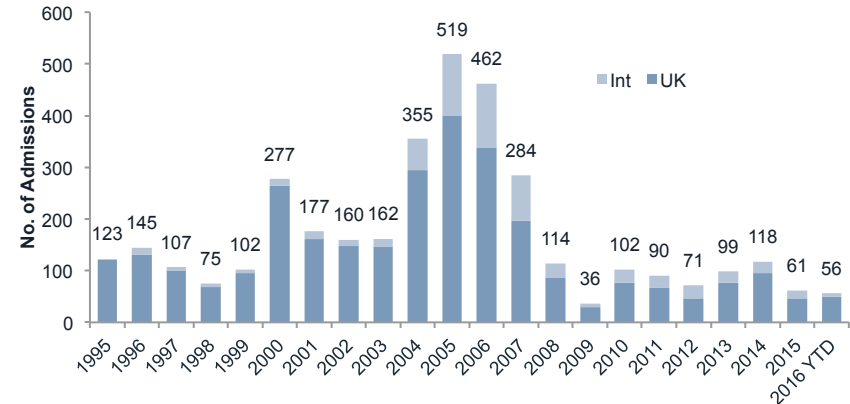
Almost £100 billion raised since launch

Profile of AIM Companies

**995 companies*,
aggregate value of
£80bn (180 Int'l
companies)**

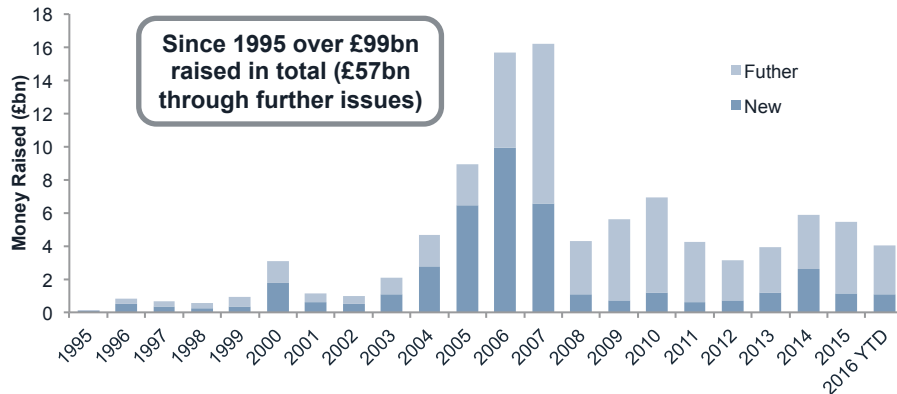


Admissions to AIM – 1995 to 2016 YTD

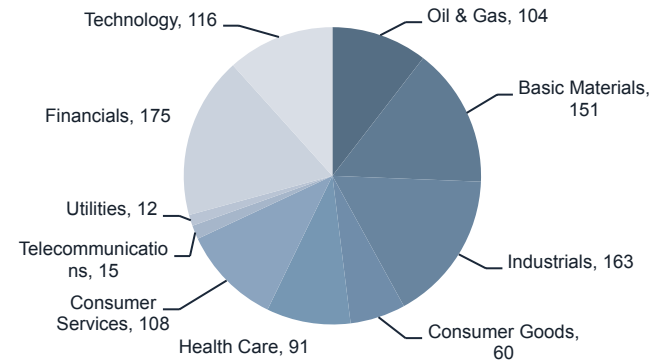


Fundraisings on AIM – 1995 to 2016 YTD

**Since 1995 over £99bn
raised in total (£57bn
through further issues)**



Industries* Represented – by Number of Companies



*ICB industry classification

Source: LSE statistics, 30th October 2016

*21 companies either suspended or undetermined value

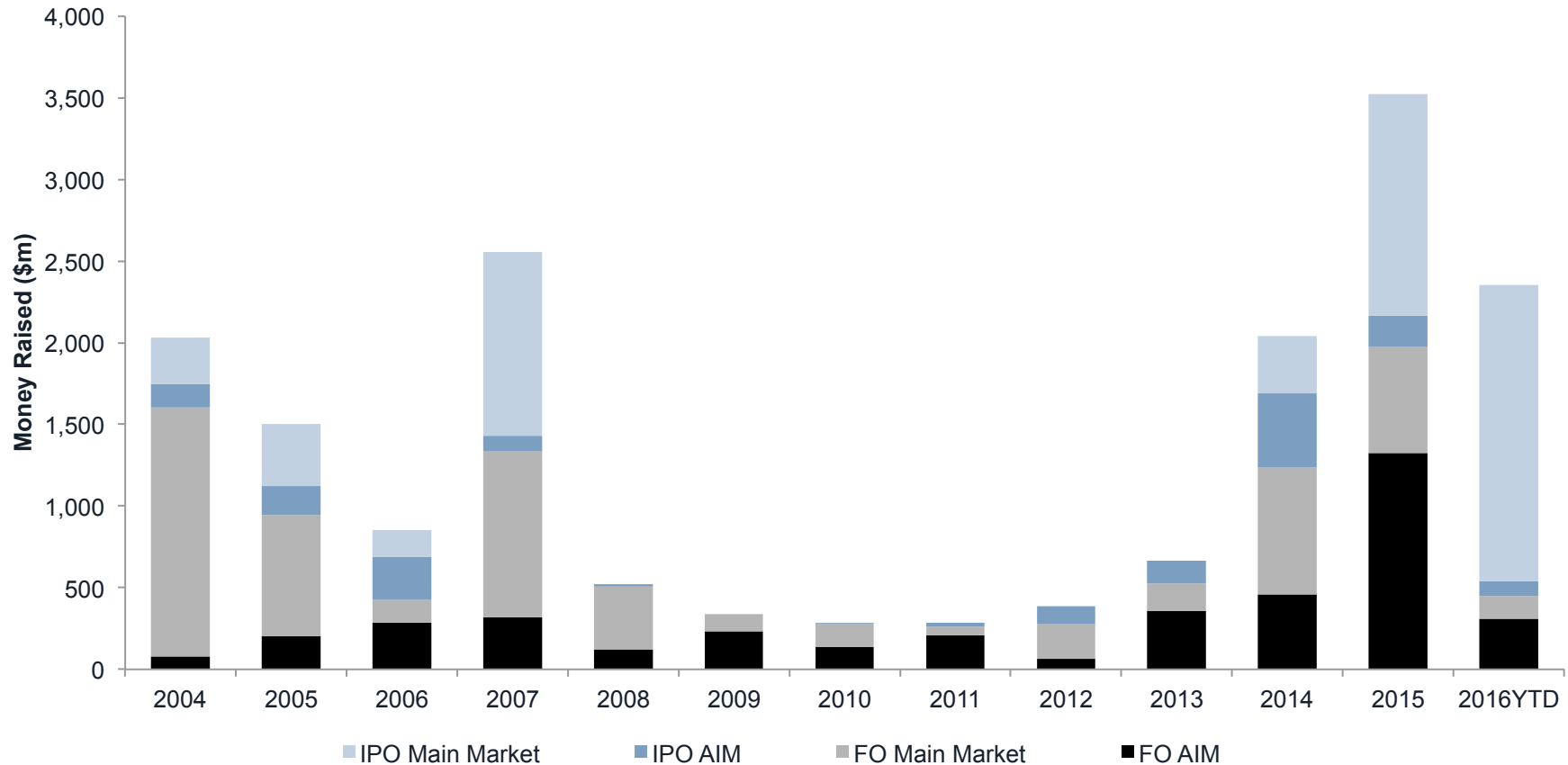
Life Science Equity Capital Raising

2015 was a historic year for Life Science in London



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Money Raised by Life Science companies on the LSE



Technology companies on market

Natural home for ambitious, growing companies

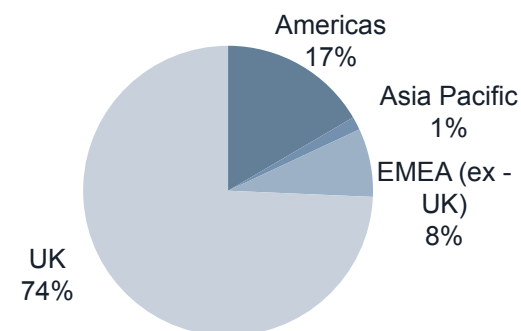


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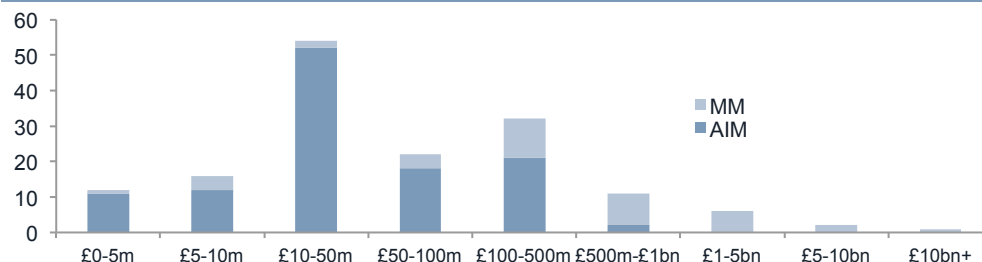
Technology Companies on LSE

Technology Subsectors	AIM	Main Market
Software	61	11
Computer Services	25	12
Internet	13	2
Telecommunications Equipment	8	5
Computer Hardware	6	4
Semiconductors	3	8
Total Number of Companies	116	42
Total Market Cap	£8.4bn	£144.2bn

Geographical Breakdown of Institutional Investors



Market Cap Profile of Technology on our Markets



Top Institutional Investors in the sector

Investor Name	Value held (£m)
Schroder Investment Management Ltd.	938.6
Standard Life Investments Ltd.	891.3
Legal & General Investment Management Ltd.	672.2
BlackRock Investment Management (UK) Ltd.	660.5
Old Mutual Global Investors (UK) Ltd.	605.0
Aviva Investors Global Services Ltd.	585.9
Fidelity Management & Research Co.	585.3

Source: FactSet and LSE calculation, September 2016

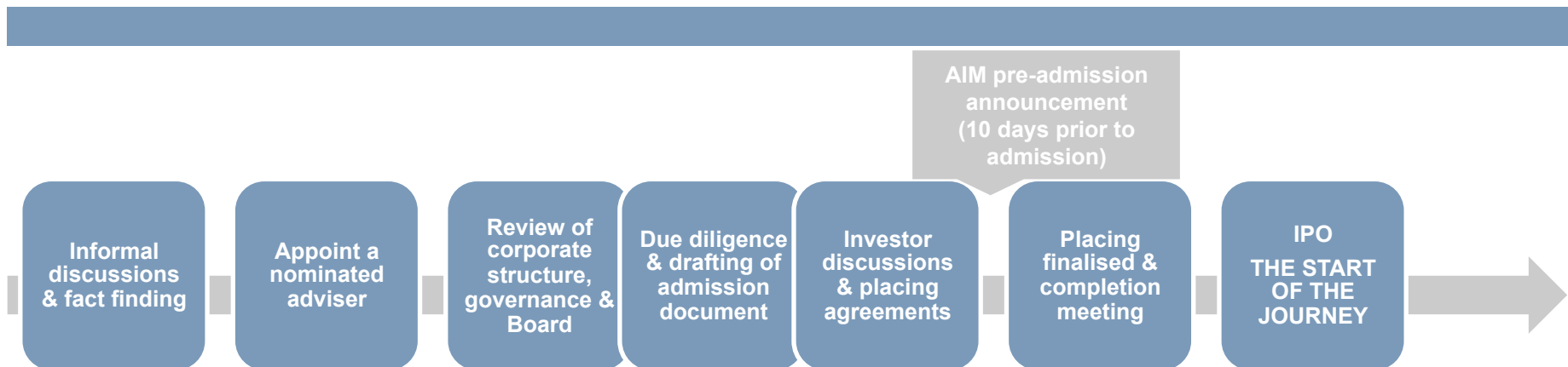
Note: Technology ICB classification used

Understanding the Admission Process

Timeline and costs



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Costs of IPO

Advisory & due diligence	These include nomad, reporting accountants, lawyers and other due diligence costs. These are mainly dependent on complexity of the business & sector, but can be significantly higher for the Main Market due to legal costs of producing a Prospectus approved by the UKLA
Exchange fees	Incremental based on company's market value
Broker commission	Actual % depends on the quantum & can be affected by sector and complexity of deal

Ongoing compliance – can vary with corporate activity

Nomad/Corporate adviser	Similar for AIM & Main Market companies – as Main Market companies usually retain a corporate adviser
Auditors	<ul style="list-style-type: none"> • Similar for comparable companies on AIM & the Main Market • Can vary dependent on complexity of the business
Internal Costs	Include corporate governance costs including non-executive directors as well as increased public relations & investor relations efforts
Other	Include exchange fees, registrars, website, AGMs etc

Fees may vary significantly depending on the size, complexity and sector of a company.

Understanding AIM

A flexible regulatory structure



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Key eligibility requirements

Eligibility criteria	<ul style="list-style-type: none"> • Appointment of nominated adviser • No minimum track record requirement or free float criteria, but company must demonstrate appropriateness to join a public market
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
Rulebooks	<ul style="list-style-type: none"> • AIM Rules for Companies and Nominated Advisers
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

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
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, including disclosure of corporate governance arrangements
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

Routes to Market - MM vs AIM

Regulatory overview



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	MAIN MARKET			AIM
Description	Premium	Standard	Standard DR	AIM
Domicile	Any	Any	Any	Any
Regulation	EU Regulated Market & Listed	EU Regulated Market & Listed	EU Regulated Market & Listed	MTF
Minimum free float	25%	25%	25% of the DRs	Assessment of suitability
Revenue criteria	75% of business supported by historic financial information (3 years)	n/a	n/a	n/a
Admission	Prospectus & Eligibility letter to UKLA under Listing Rules	Prospectus	Prospectus	AIM Admission Document & Nomad declaration of suitability
Adviser	Listing Sponsor at admission & for transactions	n/a	n/a	Nominated Adviser at all times
Corporate governance	UK Corporate Governance Code	Corporate Governance statement	Corporate Governance statement	Expected market practice & guidance from Nomad
Ongoing obligations	Disclosure & Transparency Rules	Disclosure & Transparency Rules	Disclosure & Transparency Rules	AIM Rules
Significant transactions	Class tests as per Listing Rules	n/a	n/a	Class tests as per AIM rules
Cancellation	75% shareholder approval	No shareholder approval required	No shareholder approval required	75% shareholder approval
Indices	FTSE UK Series, where eligible	n/a	Relevant IOB index	FTSE AIM Series, where eligible

ELITE Growth Programme

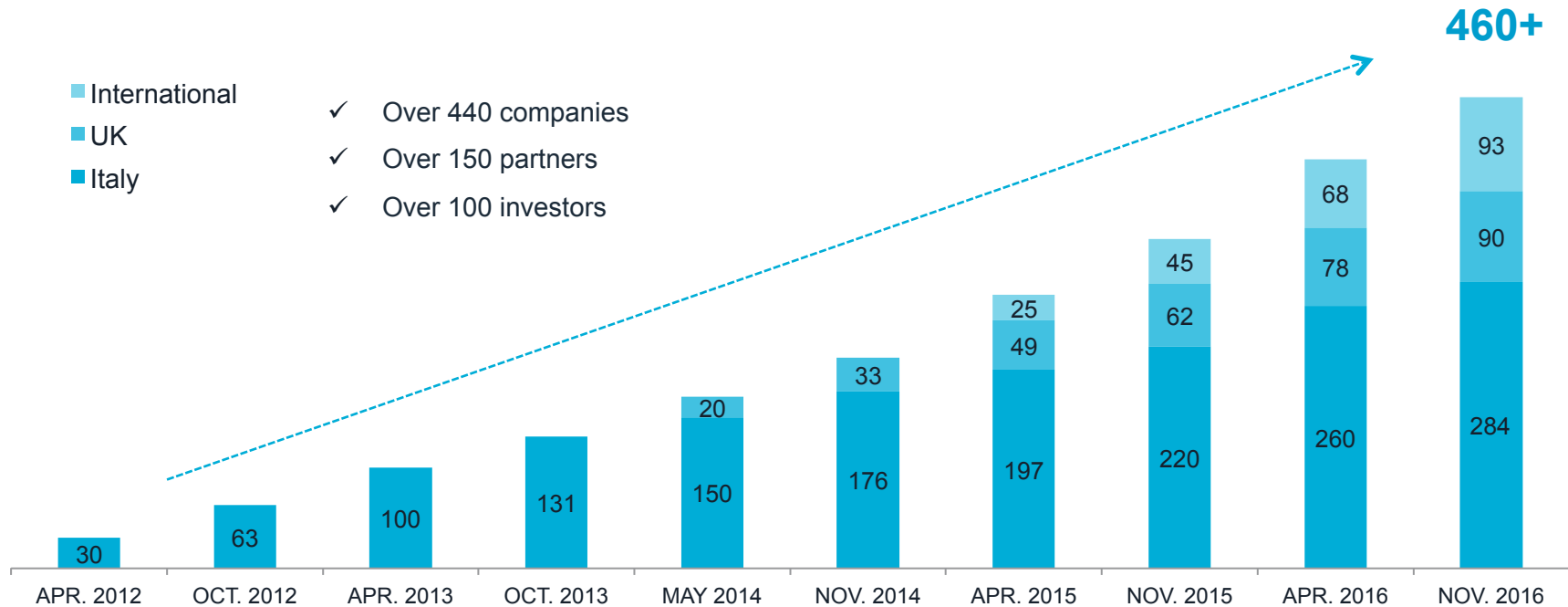
Supporting private companies in their growth



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A programme and platform to help ambitious, growing private companies better prepare and structure for further growth and external investment.

Launched first in Italy in April 2012, ELITE has expanded across Europe – launching in the UK in 2014 and the rest of Europe in 2015.

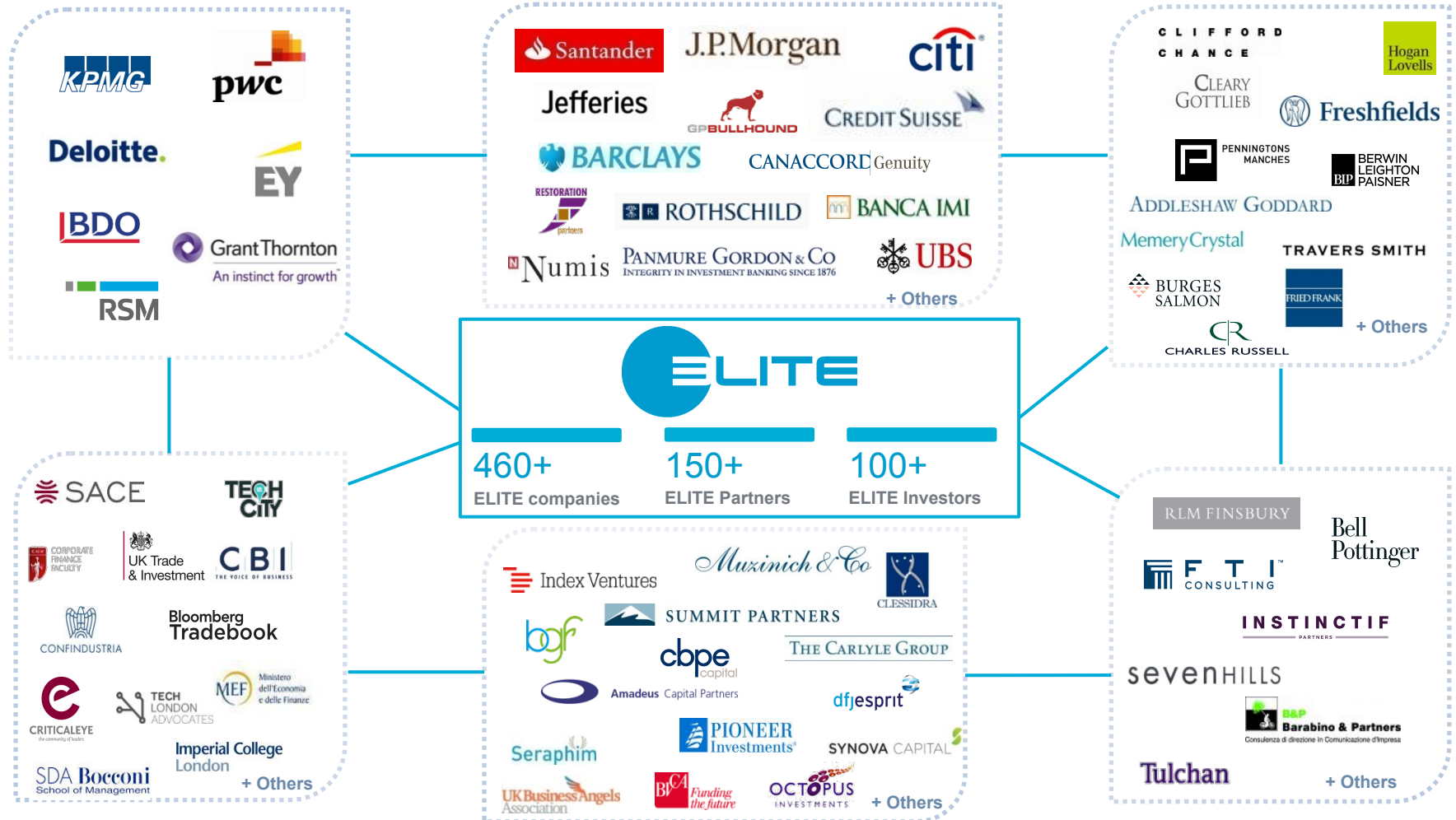


A Vibrant Community

Committed to scaling businesses to success



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Supporting Welsh Companies

Businesses at the forefront of innovation partner with us to catapult their growth



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	AIM	Main Market - Premium	Total
No. of Companies	15	4	19
Total Market Capitalization (£m)	1,183	6,695	7,877

Total
25

Total money raised on LSE by companies in the Wales region since 2004	£4.2bn
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Source: FactSet and LSE calculation, November 2016

Note: Country of Primary Business has been used to calculate these statistics

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