

Take AIM at global capital

When a Western Canadian company wants to go public, the management team usually thinks about listing on a Canadian or U.S. stock exchange first. That attitude may soon change thanks to the overwhelming success of AIM, the world's leading market for smaller, growing companies from around the world.

Since its launch in 1995, more than 2,200 companies have listed on AIM – including more than 40 Canadian firms. And the promising market shows no signs of slowing down.

WHY CHOOSE AIM?

Owned and regulated by the London Stock Exchange, AIM boasts a total market capitalization of more than \$100 billion CDN, with 40% of trading done by institutional investors.

According to Sid Reiger, head of MNP's public companies team, "AIM offers emerging companies some great advantages, like quick access to large amounts of capital. Companies can also access institutional investors who are much more inclined to stay for the longer term." This can be a huge benefit if a company decides to make a second offering down the road.

Flexibility is another major draw of AIM, especially given the move toward increased regulation by certain markets. Sid points out that besides not having to comply with specific SOX requirements, AIM-listed companies don't have to file their financial statements quarterly, like other markets.

(AIM requires filings every six months only.) AIM-listed companies also don't need shareholder approval to make an acquisition; instead, they can issue a press release unless a reverse takeover is involved.

Of the Canadian companies currently listed on AIM, most are active in the natural resources industry, such as oil and gas and mining. Sid advises that oil and gas companies interested in listing have some production and a land base to explore.

While AIM doesn't have a minimum market capitalization, most companies fall in the \$20 – \$50 million range. Another 40% of AIM-listed companies have a market capitalization of \$20 million or less.

HOW TO LIST ON AIM

To list on AIM, your company needs to secure four key advisors:

1. A NOMAD or corporate advisor with a strong reputation and a good history of finance activity.
Note: The NOMAD must be approved and regulated by the London Stock Exchange to undertake this role.
2. A broker (the NOMAD may take on this role as well).
3. A reporting accountant.
4. A securities lawyer.

If you're planning to expand your operations abroad, you may also want to hire a public relations firm to help increase your international exposure.

ACCESSING AIM WITH HELP FROM MNP

Besides assessing your company's readiness for AIM, MNP can liaise with Baker Tilly International, our international network of accountancy firms, to help you find the right individuals to help you list.

Baker Tilly UK has been the reporting accountant to more than 150 AIM submissions, and has been voted as the AIM Accountant of the Year for three consecutive years by AIM-growth companies.

For more information on AIM, contact Sid Reiger, Public Companies Team Leader at 1.877.500.0792 or your local MNP office.

TOP 5 REASONS TO LIST ON AIM

1. Quick access to global capital.
2. More institutional investors.
3. No minimum criteria related to company size, track record, or number of shares to be in public hands.
4. Simple admission process.
5. Regulation customized for smaller companies.