



ABC School

THE IPO PROCESS

Company Development



- Strategy for growing the business – short, medium, long term
- Initial stage – creativity & establishing business idea
- Effective leadership & delegation helps create a business
- Need to establish a robust business and operations
- Flotation is a step in the process
 - an objective assessment of operations, opportunity and value – growth capital
 - Or an Exit opportunity
- Alternative crystallisation / liquidity events e.g. sale, merger, private equity, debt, dividend, share buy back

Benefits of flotation for the company

- Access to liquid pool of investors
- Greater visibility
- Added support for debt providers
- Can sell existing shares
- Company can come back to the market and raise new equity funding
- Puts the company in the shop window
- Acquisition capital for M&A activity



IPO considerations

- Group structure, current shareholdings, tax matters
- Financial procedures and accounting records
- As part of the company's overall strategy and business plan



Where to list?

Stock Exchanges World Wide Ranking (by size)

1. New York Stock Exchange — \$18.83 trillion
2. NASDAQ — \$7.51 trillion
3. Japan Exchange Group — \$4.98 trillion
4. Shanghai Stock Exchange — \$3.87 trillion
5. London Stock Exchange — \$3.58 trillion
6. Euronext / Amsterdam — \$3.42 trillion
7. Shenzhen Stock Exchange — \$3.15 trillion
8. Hong Kong Stock Exchange — \$3.1 trillion
9. TMX Group Canada — \$1.93 trillion
10. Deutsche Boerse — \$1.65 trillion
11. Bombay Stock Exchange — \$1.63 trillion
12. National Stock Exchange of India — \$1.6 trillion
13. SIX Swiss Exchange — \$1.46 trillion
14. Korea Exchange — \$1.35 trillion
15. Australian Securities Exchange — \$1.31 trillion
16. NASDAQ Nordic Exchanges — \$1.28 trillion



➤ London Stock Exchange



➤ New York Stock Exchange

European Stock Exchanges

LSE London	LSE Main Market & AIM
NEX London	NEX Exchange Main Board and the NEX Exchange Growth Market
Germany	Deutsche Bourse/Frankfurt • BOAG/Hamburg & Hannover • Bourse Berlin & Bremen
NASDAQ Nordic	Sweden • Norway • Finland • Denmark
EURONEXT	Holland/Amsterdam • Belgium/Brussels • Portugal/Lisbon • England/London • France/Paris
BME Spain	Madrid • Barcelona • Bilbao • Valencia

London Stock Exchange

The London Stock Exchange's Main Market is the world's most international market for the admission and trading of equity, debt and other securities. Its location at the heart of the world's leading financial centre makes it the ideal home to over **2,600 companies from 60 countries**

- Bringing together companies and investors
- Primary market – providing companies with access to deep and liquid pools of capital
- Secondary market – enabling fast and efficient trading in a company's securities
- Equities, fixed income, derivatives
- Information services and trading platforms



London Stock Exchange – Markets & Segments

➤ Main market

The Main Market is an EU Regulated Market and companies must produce a full Prospectus to be approved by the the **UK Listing Authority (UKLA)** regardless of the segment they are applying for admission to.

SEGMENTS

- Premium
- Standard
- Specialist Fund Segment
- High Growth Segment

AIM Market

- <3,500 companies listed on AIM in the last 20 years
- Raising £90 bn
- Now 1,088 companies on AIM
- Whereas FTSE 100 largely comprises international companies, 80% on AIM are UK companies
- Recent Govt. measures to remove Stamp Duty and include in ISAs
- Qualifying investment for VCTs
- Exempt transfer for Inheritance Tax



AIM Investors' appetite

- A market for institutional investors as well as retail
- Pension Funds, Life Companies, Smaller Fund Managers, Retail Investors
- Opportunity for investors to support companies with dynamism and vigour
- Smaller companies can be more nimble, with risk and reward for investors
- A stock picker's market rather than an index

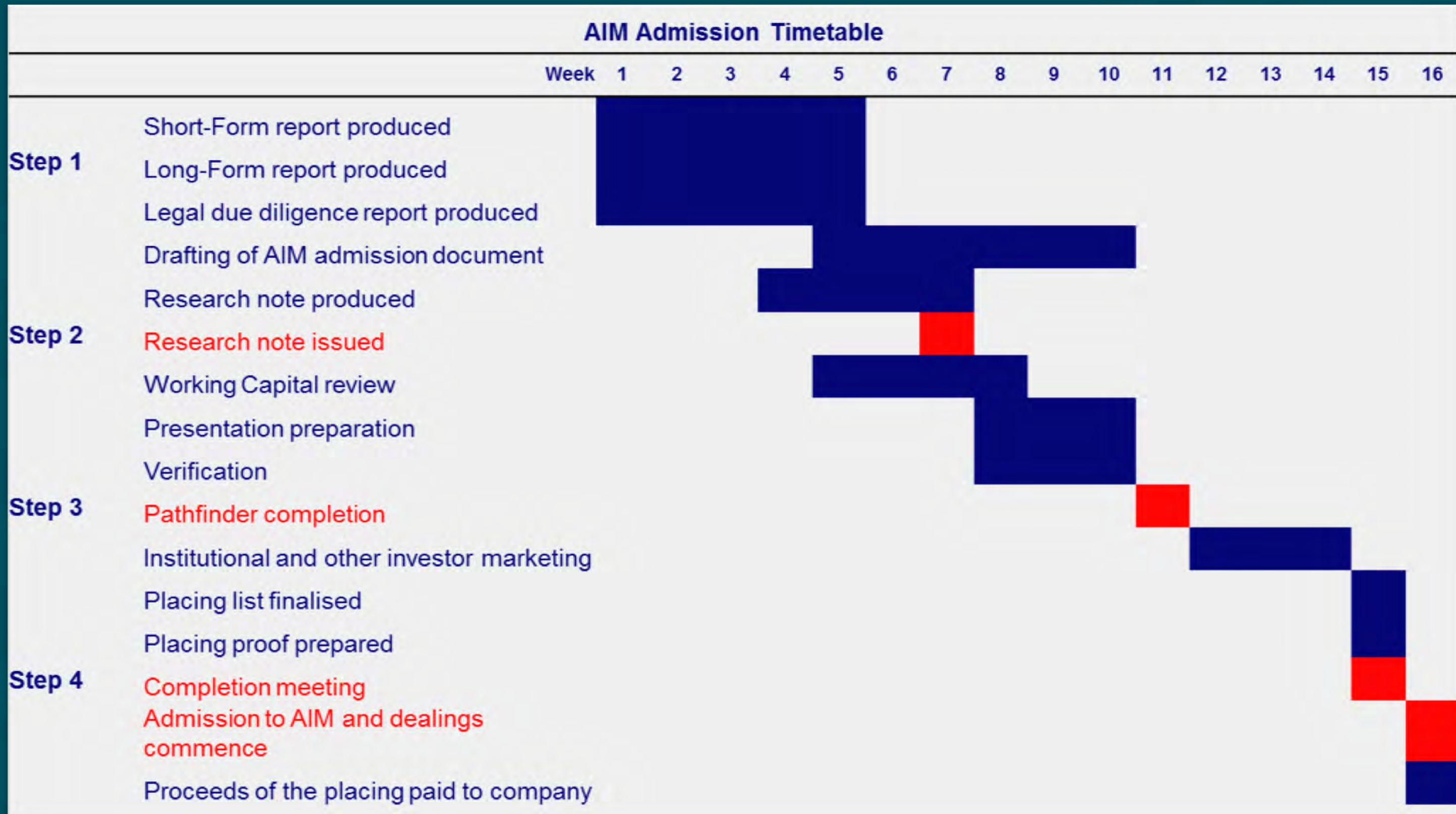


Listing step-by-step...

Content and Steps

IPO Progress Report





Company valuation

- Either asset basis or anticipated future income streams
- Growth expectations
- The greater the certainty, the higher the valuation
- Market comparisons with other listed peer companies



Brokers' research

- Distributed to fund managers
- Independent assessment
- Retained broker
- Brokers' forecasts

Detailed company initiation covering markets, strategy, technology, management and economics

Monthly Stock Guide to keep story live in front of both institutions and sales

Daily notes covering emerging news flow distributed to over 200 institutional clients

Small-Cap Review
Published periodically



Advisors – Nomad and Brokers

- Role of regulatory overview
- Placing and marketing of shares
- Help maintain orderly aftermarket
- Ongoing role



Advisors – others

- Lawyers to company
- Lawyers to Nomad/Broker
- Accountants
- Expert's opinion, if required
- IR/PR



Post-flotation

- Continuing Stock Market obligations
- Admission document shelf life
- Interims and finals
- Contracts and news flow
- High public visibility
- Market competitors
- Quick and efficient access to further equity investments



WideCells Group LSE* Main Market IPO

➤ July 27th 2016



*LSE – London Stock Exchange

WIDECELLS IPO – CASE STUDY

DELIVERS 30% IRR / PROFIT IN SIX MONTHS



Case Study – WideCells Group PLC

SECTOR: MEDICAL / HEALTH TECH / INSURANCE

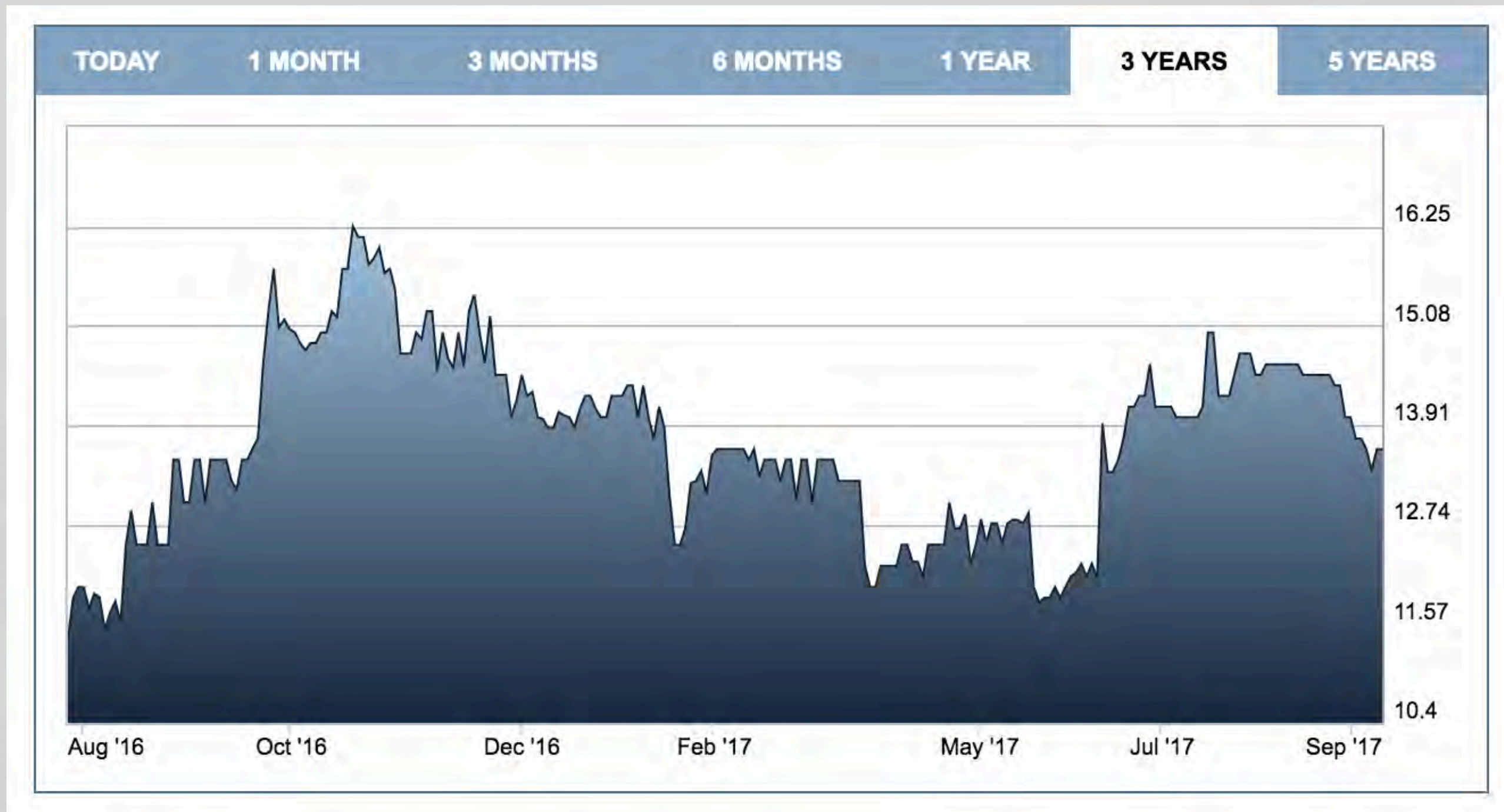
WideCells Group is a worldwide provider of stem cell-based services and their mission is to provide individuals and families access to affordable stem cell treatment globally via it's CellPlan insurance product.



Case Study

1. WideCells Group joined ABC in **December 2015** and was first listed in the Prime segment.
2. The Club invested a total sum of **£160,000** in WideCells in a combination of loan notes and equity investment
3. João Andrade (CEO) has actively promoted the company on webinars as wells as on Club Meetings in France, UK, Sweden and Portugal
4. Members has been given opportunity to invest separately in various promotions to members in Selected Access as well as Everyday Investors
5. **Book value** at entry to the Club \approx £160,000
6. **Listing price:** £0,11/Share at LSE (London Stock Exchange)
7. **Total Value on IPO** - £200,000 circa 30% IRR / profit
8. The stock opened on 27th July and peaked at £0.13 per share = circa 45% IRR / Profit
9. On October 18, 2016 the share traded for £ 0,1638 and closed at £ 0,1625

WideCells Group



Member Allocations

1. Members in Angel Business Club have over the period been allocated equity entitlements in WideCells at £0.08p per share.
2. WideCells listed on the London stock exchange at £0.11p per share delivering a circa 30% return on investment within 6 months of joining the Club
3. Today the stock is trading between £0.13 and £0.15 and we remain optimistic about the potential of this business

Loan Note Activity

1. Certain Members participated in a loan note promotion with a guaranteed 20% discount to IPO price coupled with an interest rate of 8% pa.
2. On IPO these members including their interest rates also made a circa 30% profit on their investments in less than six months

Summary WideCells Group IPO Case Study

- Club delivers members a 30% return on investment in 6 months
- Company listed on London Stock Exchange 27.07.2016
- The Company is trading around £ 0.14 - 0.15 = +70% profit...
- All Time High on October – £ 0.1638 (£ 0.15 in July 2017) +100%
- Journey has only just begun but members can exit if they wish via our Stock Trade Tool
- Company delivering according to plan...

Conclusions

- A company needs to be in good shape to float
- Flotation is a step on the road – not necessarily an exit for management
- It takes time, advisers and fees
- Regulatory overview and continuing market obligations
- An opportunity to raise finance on IPO and access to further capital as a listed company
- A valuation event for Angel Club investments!

