

Technologia's Due Diligence service

Due diligence

'Due diligence' is a term used generally to describe investigations investors are obliged, or feel obliged, to undertake before investing in or acquiring a company

A due diligence assignment requires us to give our independent expert judgement, in relation to a potential investment, on any combination of:

- the soundness of technology
- market prospects
- viability of business plan, case or model
- significance of IP (intellectual property)

Our due diligence capabilities and experience cover the range of technology transactions:

- technical and market assessment of seed and early stage technology companies (including IPO Expert Letters – see below)
- intensive commercial due diligence for M&A deals in technology fields

We have completed over 125 successful due diligence assignments since 2001 for:

- VCs
- public sector investors
- business angels
- individual companies ranging from start-ups to multinationals
- private equity companies.

We have provided Expert Letters for flotations on the London Stock Exchange and AIM, typically under Rules 20.11, 25.6(d) and 25.8 of the UK Listing Authority.

Examples include:

- e-commerce floats in 1999/2000 that including the first TechMARK flotation (EasyScreen)
- Innovation Group (insurance software): LSE flotation May 2000
- Pursuit Dynamics (marine engineering): AIM Placing May 2001
- a number of draft letters for floats abandoned in the weak market of 2001/2.

We wrote the Expert Letter for the AIM float of Polaron Group, a nanotechnology instrument specialist, in spring 2004.

While much of our DD work relates to early stage high technology investments we have also undertaken assignments involving large established businesses - one example is an assignment for Alchemy which involved a market and technology assessment for an MBO of a ~\$100million software conglomerate. The company

business units offered over 30 products based on wide range of core technologies and serving diverse markets and the business was geographically diverse in the: US, UK, Far East and Australasia.

“The due diligence work was both speedy and effective in helping us to meet and deliver on our offer timetable”, said Alchemy.

While we routinely work with venture funds and private equity houses as direct clients we have also worked closely with a number of publically funded proof of concept schemes designed as preparation for, or complementary to, early stage venture funds. These include:

- INI Proof of Concept Programme (2008)
- EEDA Proof of Concept Programme
- Welsh Assembly Government Technology Commercialisation Centre
- Scottish Enterprise Proof of Concept Programme.

A list of our public and private venture funding clients is given in the table below.

3i plc	Ideashub
Aberdeen Asset Managers	International Investment and Underwriting Limited
Add Management	Investcorp International
Amadeus Capital Partners	Investec Henderson Crosthwaite
Antenova	Ipsos Ventures
Apax Partners and Co. Ventures	Israel Seed Partners
Arbuthnot Securities	Matrix Securities
Archangel Informal Investment	Medicon Valley Capital
Arlington Capital	Mercury Private Equity
Aurora	NESTA
Bamboo Investments	Newmadi Advisors
BancBoston Capital Limited	NewMedia Spark
BBC Ventures Group	Old Mutual Financial Service plc
b-business partners	Pricap Venture Partners AG
Bridgepoint Capital	Royal Bank of Scotland
Candover Partners	Sandler Capital Management
Catella Investments AB	Scandinavian Life Science Venture
Charterhouse Development Capital	Scottish Equity Partners
Copernicus Partners	SEB Foretagsinvest
Credit Agricole Indosuez	Standard & Poor's Corporate Value Consulting
DB Capital Venture Partners	TecCapital Investments Limited
Duke Street Capital	The Forward Group
Enterprise Equity	U4EA plc
Finance Wales	Wales Fund Managers Limited
Greater Pacific Capital	WestLB Panmure Limited
Hg Capital	Yorkshire Fund Managers
Hive Associates Limited	