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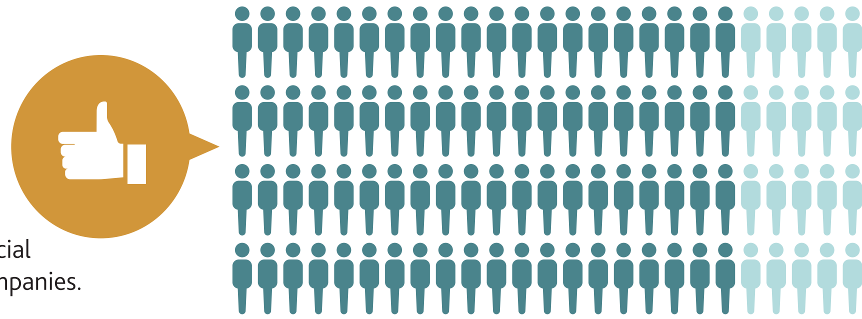
# Taking AIM:
## Ambition and fear in the UK tech sector

# Taking AIM: ambition and fear in the UK tech sector

Technology companies are often the fastest growing, most high profile in the market, attracting attention from consumers, businesses and investors. But do the UK founders of these "wannabe" unicorns have an exit plan and does it involve an IPO on AIM? We interviewed over 200 tech directors and investors to understand their hopes, fears and aspirations when it comes to the market for tech stocks.

## AIMing high

80%
of investors see AIM as a beneficial market for tech companies.

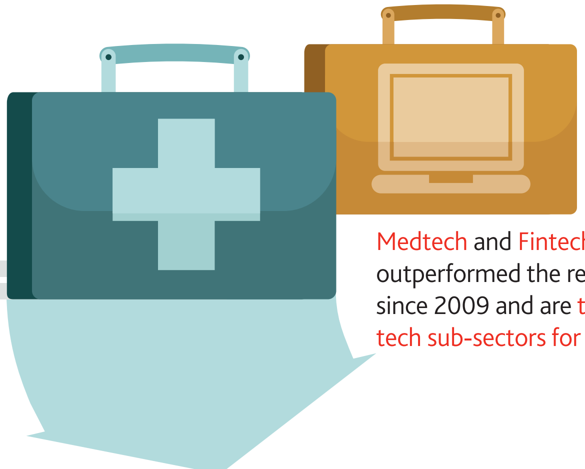


## A solid investment

44%
of the portfolios of investors we surveyed were invested in the AIM market.

31%
of those investments were in technology stocks.

## Good looking performers



Medtech and Fintech stocks have outperformed the rest of the AIM market since 2009 and are the most attractive tech sub-sectors for investors.

Medtech
is the single most attractive tech category for investors (37%) over the next 12 to 18 months.

## A naturally desirable market

68%
of tech company directors have a clear exit strategy.



But fewer than one in four (24%) favour a listing on AIM

with nearly half (49%) saying they would prefer to list on another UK market.

82%
of directors of tech companies agree or strongly agree that AIM is the natural market for fast-growth technology companies.

65%
of tech company directors say that AIM is a more desirable place for investors now than it was 12 months ago.

## Seeking sustainable growth

53%
of investors are planning to increase their exposure to AIM tech stocks over the next five years and expect to increase tech stocks in their portfolios by 39%.

But 43%
of investors are worried that we may be heading towards a tech bubble.

49%
of investors believe the number of IPOs on AIM will increase during 2016.

39%
think it will stay the same.

8%
think new listings will decline.

## Costs of listing

58% of tech company directors estimate the costs of listing on AIM at over £250,000

while a third believe it costs between £5,000 and £25,000.

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# Ambition and fear in the UK tech sector

Every entrepreneur and investor understands that finding funding and growing a business to realise that investment are two very different challenges. For US technology companies with "unicorn" ambitions, listing on Nasdaq is seen as a natural step – a means to raise new capital for growth and to realise the investment of early investors.

In the UK, the AIM market, which is designed for growth companies, should offer a similar solution. However, according to our research, tech companies in the UK are less likely to think of AIM as a source of capital or a step towards an exit. Meanwhile, investors would like to see a greater number of tech stocks with a listing on AIM. This report unpicks the contradiction between the appetite of investors and the ambitions and fears of founders.

Of the technology company directors we interviewed, 68% said they have an exit plan in place. The vast majority (63%) expect to execute their plan within four to five years. However, AIM is the planned exit strategy for less than a quarter (24%) of UK technology firms, with just under half (49%) expecting to list on another UK market.

When it comes to AIM investors on the other hand, technology is clearly a major component in their investment strategies. On average, technology sector stocks made up 31% of the portfolios of the investors we interviewed. And demand is clearly building. 53% expect to increase their exposure to AIM tech stocks in the next five years.

To complement our survey, we've conducted in-depth interviews with a number of experts including investors, advisers and tech company directors resulting in a diverse range of opinion. We've also analysed the historical performance of technology companies on the AIM market between 2005 and 2015. We look particularly at Fintech and Medtech stocks, predicted to be the two fastest growing areas of the next five years.

Taking all of these perspectives into account suggests that AIM should be the natural home for fast-growth tech companies in the UK. It is arguably Europe's last remaining growth-based stock exchange. If the ambitions of founders meet the increasing appetite of investors for tech stocks, then AIM could become a breeding ground for a new generation of UK and European unicorns.

I would like to take the opportunity to thank all of those who have contributed their views to this report.

We hope that *Taking AIM* makes for interesting reading and welcome your views on any aspect of our findings.


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"If the ambitions of founders meet the increasing appetite of investors for tech stocks, then AIM could become a breeding ground for a new generation of UK and European unicorns."

Guy Heath

# Hitting the mark

Tech founders are clear: the AIM market is a natural home for fast growth, UK technology companies. 82% of the directors of tech companies we surveyed agree or strongly agree with this statement. And 65% say AIM is a more desirable place for investors to put their money today than it was 12 months ago.

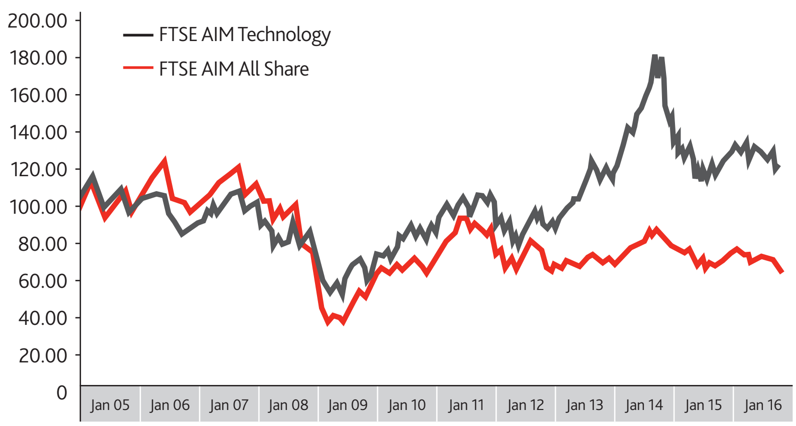
Investors share their views, revealing a growing appetite for seeing technology companies come to market. Some 53% are planning to increase their exposure to AIM tech stocks in the next five years. 31% of their current portfolios are already made up of AIM tech stocks.

The positivity around tech stocks on AIM is well placed. Despite some recent high profile "bumps in the road" from the likes of Quindell, and a froth-busting adjustment in 2014, our analysis shows that post-recession, the AIM tech sector has outperformed the main AIM index by a margin of 54%. Asos, often seen as the poster child of the AIM tech market, recently reported a 21% half-year jump in revenues, while following a rebrand and re-launch Quindell, now Watchstone Group, is also delivering for investors.

82%

of tech company directors say AIM is the natural home for UK tech companies

Tech stock share price performance on AIM vs AIM All Share




*Source: FactSet, analysis by Evalueserve*

It's hardly surprising then that 80% of investors see AIM as a beneficial market for technology companies. When asked for their reasons, these included those who consider it a viable option for tech companies as part of a wider growth strategy (38%); those who consider it to be the best market for tech companies seeking investment (26%); and those who think AIM is a strong market for tech companies seeking reliable business opportunities (16%).

Meanwhile, the top three reasons why tech company directors value an AIM listing are: realising value by releasing equity (38%); access to capital markets (31%); and growing more quickly (14%).

AIM seems to be hitting the mark. Last year it celebrated its twentieth year by outperforming the FTSE 100, albeit IPOs were at historically low levels raising only £560m, compared to £2.8bn the year before. Demand for tech stocks appears strong.

But that's not the whole picture. Our survey of tech company directors and investors reveals a number of contradictions which suggests that AIM has yet to capture the imagination of the European technology market in the way Nasdaq has in the US.

# Interview

## Orlando Agrippa, CEO, Draper and Dash

Most technology start-ups have an exit plan in my experience. For example, I've looked in the last year at roughly 2,000 decks from companies seeking investment and I've also prepared our own deck for funding, and all of them have an exit plan. 100% of them mention exit by a trade sale rather than an IPO. A handful mention an IPO in passing.

"Our investors want to take their profit and in their eyes a trade sale is the best way to achieve this. The market is driving this process and it's wrong in my opinion; it's not inspiring people like me to go for a listing."

This preference is not necessarily something that comes from the entrepreneurs or from managers either. All of these young start-ups have investors who will get a lot of say. We've run exit plans past our investors, and even when we mentioned a listing they didn't want to hear it. So there's a lot about the market driving Medtech businesses like ours into trade sales as if it's the only exit point, when in fact it's not.

Listings can be a good idea, but when you consider young chief executives like myself and others, coming up with really good stuff, as well as investor pressure, we don't always have the advisors with the confidence to go through with it. Angel investors see the likely fees for a listing, they look at the management and the more onerous quarterly reporting and other obligations you get as a public company, and they're not confident. Frankly, many new companies simply don't have the right calibre of people on their boards. It's not about the passion; it's about the levels of experience.

Even so, the biggest factor pushing companies like ours away from a listing is the influence from outside. Our investors want to take their profit and in their eyes a trade sale is the best way to achieve this. The market is driving this process and it's wrong in my opinion; it's not inspiring people like me to go for a listing.

It's frustrating because there's a firm exactly like Draper and Dash, maybe four years older, in the US; their value is $300m to their capital raise and their strategy is to list at over a billion. It just shows how differently that side of the pond thinks.

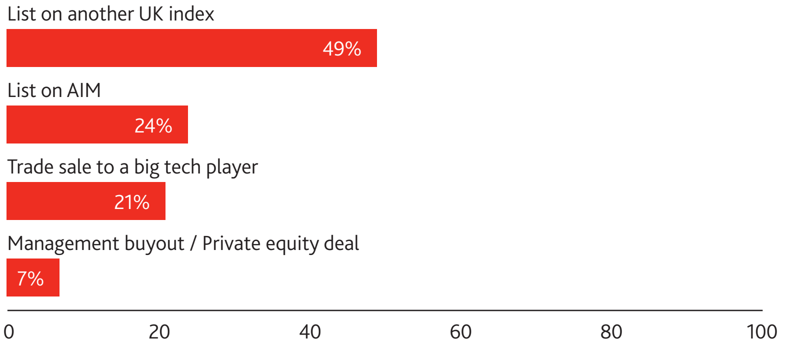
AIM is a different case again. It's attracting less interest than other stock exchanges, probably because people who are motivated to list decide that there isn't any real merit in going for a smaller listing. They might as well be bold and go for something bigger. I've heard other reasons; there's a lot of red tape and it's also more expensive than you might imagine to list on a small exchange.

*Draper & Dash is a provider of business intelligence applications and services, covering organisations across England, Scotland, Australia and North America.*

# Missing the mark

While a significant majority of tech company directors (68%) have a clear exit strategy, listing on AIM is the favoured option for less than one in four (24%). And it's not the prospect of an IPO that's the problem, as nearly half (49%) say they would look to list on another UK index. Other exit options include a trade sale to a big tech player (21%) or a management buyout or private equity deal (7%).

Exit preference of tech company directors




> "There is a view that AIM is not the whole market and if you're going to go to the effort of listing, then you may as well go for the full exchange..."
>
> Richard Carter,
> Chief Executive,
> Nostrum

No tech company directors considered listing on a non-UK market, suggesting AIM is not losing out to Nasdaq, despite some high-profile IPOs of UK tech companies like Markit on the US exchange. Typically, companies IPO on Nasdaq with a market cap of more than $500m, which means many UK tech companies which have yet to reach scale should see AIM as a natural next step.

So why are tech company directors not embracing the market which they also claim is their natural home? Why is AIM missing the mark?

Reluctance to list on AIM may signal that founders are holding out for a bigger, more ambitious exit further down the line. This could be a sign that more UK tech companies are dreaming of a unicorn future to match the success of the likes of Funding Circle, Rightmove, Wonga and Zoopla.

But ambition shouldn't deter an IPO on AIM. There's a history of tech companies using AIM as a stepping stone to the main market. Online gaming company Playtech made the leap to the FTSE 250 successfully and online payment processor, Optimal Payments, looks set to follow suit. Alternatively, listing on AIM may be a way to attract attention and PR to increase the chances of a trade sale: big data company Rosslyn Data Technologies is the latest UK tech firm on the market rumoured to have received attention from an acquisitive Microsoft.

The biggest fears tech company directors have about floating on AIM are around regulation and red tape (56%), potential loss of control (22%), and the cost of joining (10%).

Investors themselves also highlight barriers to success for tech companies on AIM including hitting revenue targets (29%), lack of liquidity (27%), and concerns around making the change from a private to a publicly listed company (19%).

A combination of ambition and fear may explain the inherent contradictions in the views of tech founders towards a market they consider so favourably.

# Interview
## Adrian Lowcock, Head of Investing, AXA Wealth

Floating on AIM is a way to realise some value but also retain control of some ownership of the business. AIM has a low bar and is a high-profile way to raise money; it provides access to a broad investor group and some potentially good PR.

"Successful businesses don't have exit plans; they look to grow their businesses and evolve them over time."

Investors' apparent wish to increase their exposure to AIM is a bit surprising and counter to what one would expect after markets have fallen. However, AIM is just a market and the success of investing in AIM is around the success of each individual investment – get it right and the rewards can be huge, just as the level of interest would be.

It could imply that there is a greater willingness to take a risk and they see investing in AIM as a punt. These investors are possibly putting less focus on long-term investment solutions and may be looking for shorter term opportunities instead.

I think IPOs in 2016 are likely to be subdued, but AIM IPOs might be more driven by necessity as they look to raise finance. Given the volatility in the markets, however, most companies tend to delay IPOs and look to do so in more stable environments.

Successful businesses don't have exit plans; they look to grow their businesses and evolve them over time. A business with an exit plan is only looking to achieve that goal, rather than to delivering services to its customers or future shareholders.

AIM attracts half the interest of other stock exchanges, according to this study. Half is quite high, but it gives owners a way to realise the value of the business without departing on the same day, and to build the company up through additional investment.

AIM is great for start-up businesses and new industries where the entrepreneurial spirit is strong. Investors are looking to support opportunities like these.

The London bias for AIM is probably due to a number of factors. I think this balances up with a mixture of exposure to more start-up businesses, investor wealth and greater willingness to take risks.

Investors in London and the South East are more likely to get exposure to start-up businesses through being based in London. In addition, exposure to the financial services industry will likely increase knowledge of the AIM market and opportunities to invest.

*AXA Wealth provides a range of pension and investment products and services.*

# Targeting cost

There is clearly an education piece to be done among technology firms. Advisers and investors – and perhaps even the AIM market itself – need to do more to articulate the benefits to tech company directors. Nevertheless, costs will always come under scrutiny.

Our research reveals that 58% of tech company directors estimate the costs of listing at over £250,000 with over half of these approximating a figure of over half a million pounds. On average our respondents estimate the total cost of listing at around £310,000. This figure is not far from the lower expected range for total costs, depending on the scale of the business floating. However, a third of our respondents hugely underestimate the overall costs at between £5,000 and £25,000.

The London Stock Exchange clearly states that listing involves various costs including admission fees, further securities and annual fees. These all depend on the number of shares, opening price and value of the securities admitted – the list of variables goes on. Aside from this, legal and accounting fees, retaining a nominated adviser and the cost of other professional advice adds up.

Undoubtedly this is a cheaper option than listing on the main market, but are there cost benefits for private limited companies that choose to float on AIM? Listing on any market can provide businesses with a constant flow of new capital, which in itself can outweigh the initial costs and annual fees, let alone the wider income made possible due to the fact the company is now listed. Furthermore, the bureaucracy associated with listing on AIM ensures that customers, suppliers, and other stakeholders won't need to explore the financial health of a company in such great depth.

More than trade sales, long-term consideration is a must when looking to list on AIM. The initial cash requirements to do so can be a strain – but the costs of a private equity investment or sale can be equally eye-watering. And most private equity investors will charge a management fee as well as seeking their preferred return on their investment. These different costs need to be compared, but the potential for raising capital and the investor appetite revealed in this report shows that AIM can be a springboard for growth and success.

**How much do tech company directors estimate the costs of listing as being?**

**58%**

of tech company directors estimate the costs of listing at over £250,000

**£310,000**

average estimated cost of listing

**33%**

hugely underestimate the overall costs at between £5,000 and £25,000

# Interview

## Richard Carter, Chief Executive, Nostrum

In terms of businesses floating on AIM, I suspect the bias towards London will be down to the volume of growth businesses in that region and their access and exposure to the AIM market.

As CEO of a tech company headquartered in the North of England, I think that whilst there are plenty of growth businesses in the North, I suspect many are unaware of the prospect and process for floating on AIM and consider it "for others". On this point, I don't recall seeing a single seminar about AIM floats in Leeds, for example.

I would be surprised if there are many IPO candidates from the current crop of high-profile Fintech businesses planning to float on AIM as their business models are not sufficiently robust to warrant the effort and downside risk. Also, there is a view that a float is not an exit, whereas a trade sale is.

From an IPO perspective, I don't believe that AIM is on the radar for most Northern businesses. Seminars by the LSE would help raise awareness.

There is still some way to go in the UK to build a true entrepreneurial society where it is expected that business owners will build an enterprise with a view to exiting at some point.

In terms of AIM's lower profile, there is a view that AIM is not the whole market and if you're going to go to the effort of listing, then you may as well go for the full exchange.

There are two financial elements that entrepreneurs look for when they do list on AIM – release of some capital to de-risk their personal position and repay their time/risk investment in the business, and the ability to raise funds for future growth and acquisition. I also think there is an opportunity for minority owners such as early-stage investors or staff to gain some liquidity. Conversely, it also presents an open market for staff to buy into the business. From an analytical perspective, it's a useful barometer of value for the business that can't come from a private valuation.

There is also some cachet to being a listed business, which allows the company to demonstrate that it has appropriate and mature governance and controls in place. This can benefit them in commercial discussions with stakeholders.

Whether or not AIM is the natural place for a growing technology company will depend on the specific circumstances for each business and their owners' longer term aspirations.

*Nostrum Group provides digital lending technology to banks, finance companies and retail brands, enabling them to exceed their customers' expectations.*

"There is still some way to go in the UK to build a true entrepreneurial society where it is expected that business owners will build an enterprise with a view to exiting at some point."

# Lines of sight

Despite a relative dearth of tech company directors considering an AIM IPO, views on the future of the market remain upbeat.

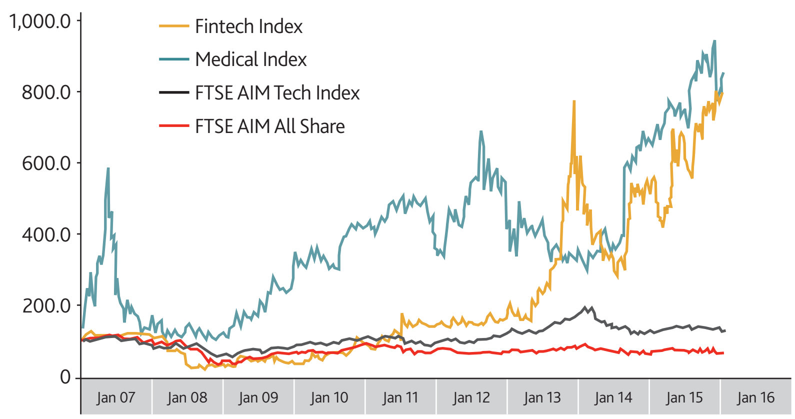
53% of investors say they intend to increase the share of AIM-listed tech stocks in their portfolios by an average of 39% over the next five years, although 43% have some concerns about a tech bubble which may slow things down. As a market, AIM has a reputation for following trends. However, 2014 saw an adjustment which reset technology valuations.

The number and value of IPOs on AIM during 2015 was historically low. The market attracted 39 IPOs worth £600m, the lowest number since 2009 when just 13 companies floated, as compared to 85 in 2014. The year was heavily influenced by declining commodity markets and concerns about a Chinese slowdown. It's therefore encouraging to see nearly half the investors (49%) we spoke to expect the number of IPOs on AIM to increase during 2016 as compared to 39% who think it will stay the same and just 8% who think new listings will decline.

According to investors, the single most attractive tech category over the next 12 to 18 months is seen as Medtech (37%), followed by Fin/Insurance tech (27%) and Retail tech (16%).

While the past does not predict the future, our analysis illustrates the momentum of Medtech compared to the AIM Tech and All Share indices. Fintech also continues to outperform the overall market. We look at both these categories in more detail later in this report.

Fintech and Medtech stocks vs AIM Tech and AIM All Share




*Source: Bloomberg, analysis by Evalueserve*

"AIM is great for start-up businesses and new industries where the entrepreneurial spirit is strong. Investors are looking to support opportunities like these."

Adrian Lowcock, AXA Wealth

# Interview

## Daniel Domberger, Partner, Livingstone Partners

It's always worth having one eye on a potential exit, but it's better to focus on growth than on what you think an ultimate acquirer might want, especially in the short term. Focus on building a great business, and the exit will come (eventually).

"In an industry where pivoting is common, the relentless scrutiny of a listing is often counterproductive, preventing CEOs from making necessary strategic changes for fear of how the markets will react in the short term."

Focus too much on a future exit and you're likely to be left behind as market sentiment or acquirer interests change over time – often faster than you would think.

While AIM offers the seductive glamour of a listing, it's more of a path to institutional investment than it is a route to exit. Unless a founder has a very strong operational team in place, an AIM listing isn't going to be an exit – he or she is going to have to remain with the business, and retain a material shareholding as a way to demonstrate his/her commitment to its ongoing growth. AIM is therefore best thought of as a way to increase a company's profile, analyst coverage, and access to a variety of institutional investors, rather than an exit.

Some people list to take some cash out, but "some" is relative. The proportion of capital a founder/CEO or other senior member of the management team is able to take out on an AIM listing is not dissimilar to (and may be quite a bit lower than) the levels associated with traditional private equity structures. Investors – whether private or public – don't want key members of the team cashing out too much, as they want to know that they are aligned to driving the growth in the business. Access to further capital is more meaningful as an objective for floating on AIM, but CEOs hugely underestimate the amount of time they'll have to spend on investor roadshows in order to raise more funds. Being a private equity investor with an appetite for follow-on funding is a much easier way to access further capital.

Some are put off by red tape, but it depends on whether you're a company, an institutional investor, or a retail investor. The burden is always going to be frustratingly high for a company, and will always be perceived to be inadequate by a retail investor who loses money.

Whether AIM is the natural home of a tech company depends on a number of things. CEOs who want to spend loads of time talking to current or potential investors will love the profile that an AIM listing provides. But the liquidity it offers is limited, the analyst coverage derisory, and the distractions significant. In an industry where pivoting is common, the relentless scrutiny of a listing is often counterproductive, preventing CEOs from making necessary strategic changes for fear of how the markets will react in the short term. This emphasis on the short term over a more meaningful strategic horizon is a significant constraint for a company pursuing growth in ways which may be measured with metrics other than revenue and profit.

*Livingstone Partners is an international mid-market mergers & acquisitions and debt advisory firm with a technology sector focus.*

# Medtech intent

Medical technology, or Medtech, has been an attractive investment opportunity in the UK. Not only has it had a huge estimated turnover of over £18bn, but it also employs in the region of 88,000 people (Source: Strength and Opportunity 2014 – HM Government report on the UK life sciences sector).

However, our research has revealed that despite these large numbers, Medtech shares are failing to feature prominently in investors' portfolios. Nearly a third (29%) of AIM investors have only 1 to 10% of their current investment capital occupied by Medtech.

Strong growth, healthy market valuations and a solid track record have generated investor appetite for future Medtech opportunities. When asked "which single sector do you think is likely to be the most attractive to AIM investors in the next 12 to 18 months?", investors revealed that Medtech takes the crown, with 37% selecting it as their preferred option. This is significantly more than the other tech sector options, with Fintech and Insurance tech drawing a total of 27%.

"There's a lot about the market driving Medtech businesses like ours into trade sales as if it's the only exit point, when in fact it's not."
Orlando Agrippa, Draper and Dash

The desire to invest in this fast-growing new market in a time of uncertainty is no coincidence. When compared to other sectors immediately following the 2008 period of recession, Medtech boomed – with the combined turnover of Medtech firms increasing by 50% between 2009 and 2012. The high-profile formation of MedCity, a partnership between UCLPartners, King's Health Partners, Imperial College AHSC, Oxford, Cambridge and the Greater London Authority, to establish London and the Greater South East as a world-leading cluster for life sciences – backed by The Mayor of London – has done nothing to harm the sector's reputation.

Which single sector do you think is likely to be the most attractive to AIM investors in the next 12 to 18 months?

37%

chose Medtech

27%

chose Fintech and Insurance tech

# Interview
## Gervais Williams, Managing Director, Miton

Investing in Medtech and Fintech carries risk. Not all of these companies are going to produce growth, but some are. Some will have vibrancy when the world's not growing; some will have different sector bias.

I think it's a slight illusion for the companies that have exit plans – they're not as neat as they look. They might fancy an exit plan but, for example, very few people expected the oil price to go down to $30 a barrel so anyone with an exit plan involving selling to a major oil company would have found it hard work.

Technology firms are subject to the same fluctuations as anybody else. We had the speculative dotcoms, we had a lot of mining and oil companies drilling holes in speculative areas and that was a feature of credit boom conditions. Now businesses with regular turnover and growth are coming through.

There's bound to be a lot of London-based interest in AIM. A lot of the companies that apply to AIM are overseas businesses re-listing in the UK, and these often have London addresses, which skews the figures. The other factor is that financial institutions are often based in London and they figure large as investors.

We anticipate that we're entering a period of growth hangover because of economic conditions, so we're putting together strategies for investing in areas that won't be hit by a slowdown. This includes small micro cap companies listed on AIM, which I expect to outperform the more mainstream markets.

A lot of investors have restrictions on their exposure to AIM, but in my view that's scar tissue from the past, and highly inappropriate. If you look at the kind of companies coming to AIM and its recent performance, which has been better than the main Stock Market, there's a different trend coming through.

Back in the sixties and seventies, it was the smallest companies that produced the best returns. We think AIM is a lot more attractive than most people realise. As companies become more attractive we'd expect valuations to move up, not only to fairer values, but potentially to premiums as well.

*Miton is an established asset management group providing award winning expertise in multi-asset and equity investing.*

"We think AIM is a lot more attractive than most people realise. As companies become more attractive we'd expect valuations to move up, not only to fairer values, but potentially to premiums as well."

# Fintech focus

Fintech has been a particularly strong sub-sector of the wider UK technology market for some years and attracts a great deal of media and investor attention. 20% of the investors we surveyed had 21 to 30% of their current AIM portfolios in Fintech.

While London, as ever, tends to dominate the sector, there are Fintech hubs across the UK which are attempting to disrupt and transform the way financial services are delivered on the global stage. Consumer finance, for example, is being revolutionised by new services in banking, insurance, payments and money management. While in capital markets, developments like blockchain are being promoted as potential solutions to address the challenges of innovation and cost pressures.

London's status as a global financial centre clearly makes it an attractive place to start a Fintech company – the talent, access to capital, regulatory expertise and support for the sector is unrivalled. Traditional financial behemoths – including the big banks – are throwing their weight behind the sector with financial accelerator programmes, and it seems likely that many of the nascent Fintech companies will seek to be acquired by financial institutions.

However, an AIM listing could prove to be an attractive alternative option to being swallowed up by a traditional financial services player. Last year, Coinsilium became the first blockchain company to go public, listing on AIM. Coinsilium invests in start-ups which are implementing blockchain technology in financial services by providing early-stage backing and a consultancy service for larger firms looking to explore blockchain innovation. Coinsilium specifically noted the support of the Bank of England and regulators in terms of finance innovation when announcing its decision to list in London.

London – and the wider UK financial services industry – should be aiming to build a sustainable Fintech industry which considers IPOs as well as private equity, venture capital or funding via a larger financial institution as part of the funding/exit mix. The UK, specifically London, fares well in rankings of the best hubs in which to develop Fintech business. The AIM market can play a key role in terms of developing and supporting that growth in a sustainable, profitable way. Our research shows that Fintech firms tend to do well on AIM as against the wider market from a share price perspective. As such, if more Fintech CEOs and boards start seriously to consider appropriately-timed IPOs, we could see more UK Fintech success stories on the public markets in the future.

# About Nabarro

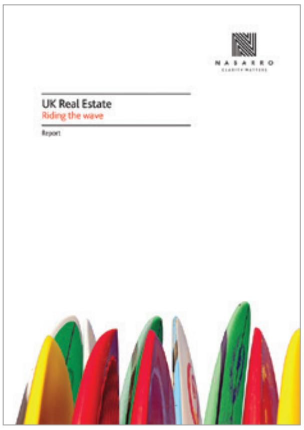
Nabarro LLP is an international law firm with offices in London, Brussels, Dubai, Manchester, Sheffield and Singapore. We deliver the highest quality, business-focused advice to clients, clearly and concisely, no matter how complex the situation.

Our core practice areas include Corporate/Commercial, Real Estate, Dispute Resolution and Infrastructure, Construction and Energy. The sectors where we have a particular specialism include Healthcare, Infrastructure, Real Estate and Technology.

Our specialist Technology group is made up of lawyers from across all practice areas and includes experts in IT disputes, IT contracts, data privacy and security, IP and corporate.

We have longstanding relationships with a network of selected firms worldwide for cross-border work. This includes the Broadlaw Group, a strategic alliance with partner firms in France, Germany, Italy and Spain creating a network of more than 1,000 lawyers based in 30 cities across Europe, Asia, the Middle East and Africa.

Further information is available on the Nabarro website at http://www.nabarro.com




Taking AIM: Ambition and fear in the UK tech sector is the first instalment in our Technology thought leadership series. To receive a copy or to find out more about how we can help you grow or invest in fast-growth technology companies, please email g.heath@nabarro.com.

# Methodology

We surveyed 100 directors and CEOs of UK unlisted tech firms with £1m+ revenue together with 100 current investors in stocks and shares within the AIM market. All interviews were undertaken by OnePoll during the first quarter of 2016.

To supplement our quantitative research, we also undertook in-depth qualitative interviews with a handful of experts from across a range of sectors and disciplines.

Finally, we have also examined the historical performance of technology companies on the AIM market between 2005 and 2015, looking particularly at Fintech and Medtech stocks which have outperformed the rest of the market in recent years.

N A B A R R O

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