

Valuation Services

Intellectual Property & Intangible Assets

ICM Advisors

Leverage the intangible assets

BUSINESS NEEDS DRIVE IP VALUATION

Intellectual Property (IP) and Intangible Assets (IA) play a large role in determining the overall value of a business. Most executives and business owners understand that obtaining the value of these assets is important and essential in many situations.

ICM Advisors has conducted hundreds of brand, technology, patents and intangible assets valuations for many business needs and variety of clients.

- Equity valuation for IP asset based partnerships and joint ventures
- Asset valorization strategies
- Monetization of non-core patent portfolio
- Corporate reorganizations – including the transfer of assets between legal entities
- IP Collateral for lending and debt restructuring
- Sizing of appropriate royalty rates for asset licensing to third parties
- M&A transactions with significant Intellectual Property Assets
- Asset valuation during exit (sale, buyout, bankruptcy)
- In-use business performance contribution of IP assets
- Sizing of internal royalty rates for the use of the asset within groups of companies
- Valuations for Early Stage and Startup Organizations
- Establishment of Intellectual Property Holding Companies
- Transfer Pricing determination
- Pricing Patents for Licensing in Standard Setting Organizations (FRAND)
- Pre-Litigation strategy
- Business and financial communication to investors
- Size the asset value at risk for insurance purposes
- Conduct valuations for balance sheet purposes by reporting unit



OUR VALUATION EXPERTISE

ICM Advisors was among the first independent and specialized firms in Europe to help organizations value and fully leverage Intellectual Property and Intangible Assets.

The skills and effectiveness we've developed has made us a leading advisory firm specialized in strategic, financial and economic issues related to brands, patents, technology know-how and all other forms of Intellectual Property.

ICM Advisors has a strong specialization in industrial and financial management of intangible and IP assets supported by proprietary methodologies and valuation tools at the state-of-the-art of the best international practices.

OUR DIFFERENTIATION

- IP and Intangible core specialization
- Business and Industrial approach to valuation
- Industry & cross-functional expertise
- IP Finance expertise and thought leadership
- Global Advanced Competitive Market & Technology system
- R&D investments in methodologies and tools
- Over 700 projects since the foundation

We apply our strong understanding of how to maximize the value of IP assets to develop robust financial models. These models make possible for executives to estimate the current and future value of IP, technology and business opportunities in order to make sound decisions.

Our professionals are recognized experts in Intellectual Property (IP) and Intangible Asset (IA) valuation, having performed numerous critical valuation engagements for large companies, SMEs, Industrial Cluster organizations, Banks and Investors across a variety of industry segments.

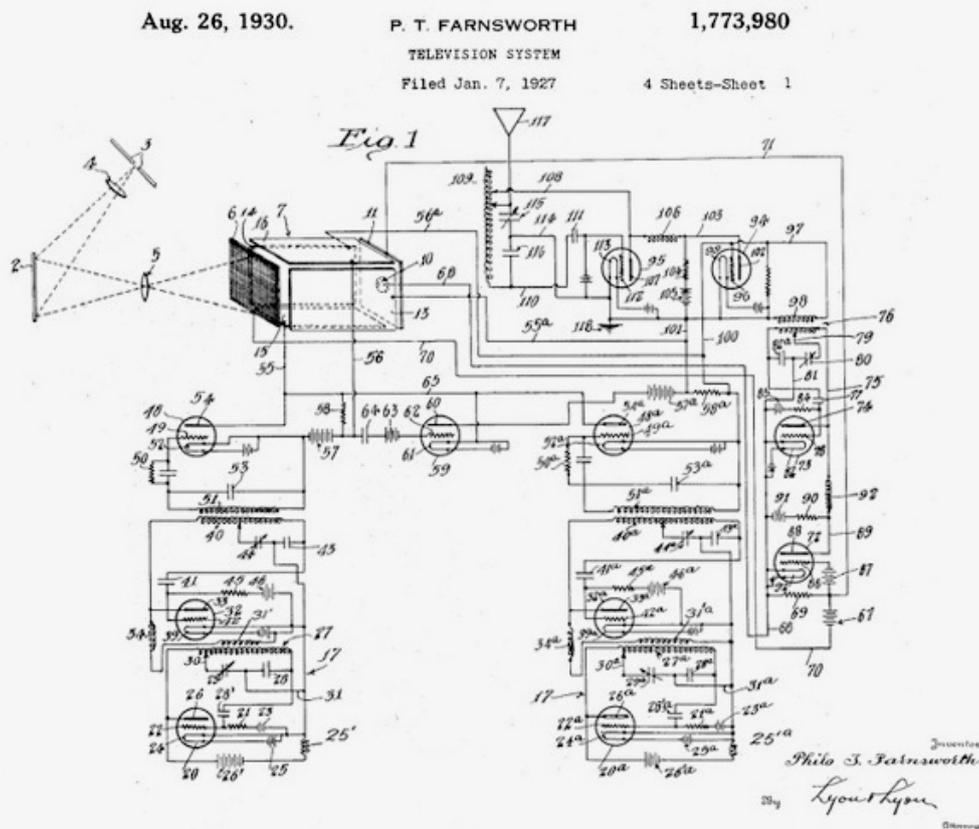
The principals in the business all have blue chip backgrounds and reputation having come from leading edge industrial corporations, first tier strategy consulting, banking, IP and communications firms.

TECHNOLOGY & PATENT VALUATION

How valuable a technology is in the marketplace is a complex question.

The valuation of technology assets considered as a bundling of know-how and related IP (patent, copyright, trade secret) requires deep expertise, appropriate methodologies and advanced Competitive Technology Intelligence capabilities.

A technology bundle can be either as simple as a single patent or as complex as a family of patents applied for products, processes and technical know-how.



HOW MUCH GOOD ARE PATENTS IF THEIR VALUE IS NOT KNOWN?

Patents are perhaps the most complex of the intellectual properties in a technical sense.

We have the experience and the resources to tackle the most challenging technology valuation assignments. An important part of patent valuation is understanding the patented technology.

We have an extensive network of Technology Experts able to deeply understand and assess specific technology in many products/applications. Our valuation professionals have technical degrees. We understand the science behind the technology to provide an opinion with greater precision.

We consider all the factors that affect value including useful life, product life on the shelf, price and market demand, and general due diligence.

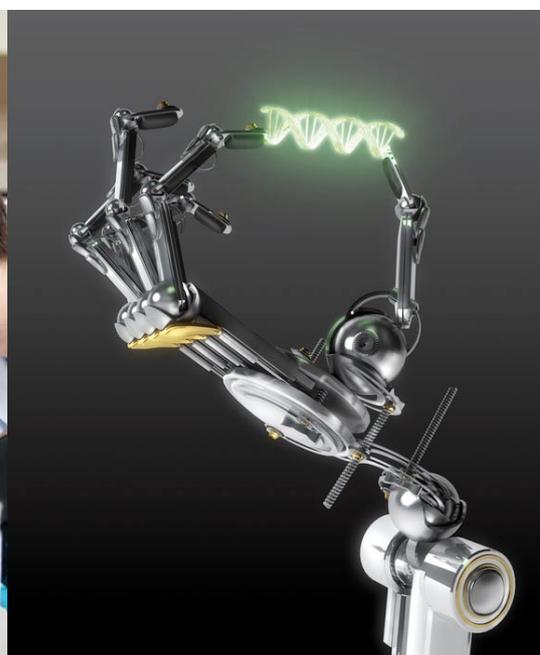
We go straight to the source by interviewing patent owners and inventors.

ICM Advisors focuses its experience in industry and market analysis, technical and competitive intelligence research and financial modeling to provide documented valuation of intellectual property, from single technology or patent to entire portfolio.

The first step is to qualify the size and breadth of patent and technology bundle.

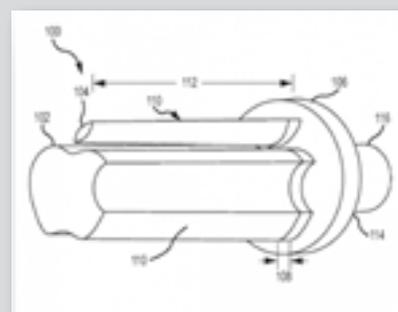
The second is the stage of development. Is this technology brand new? Developing? Fully developed? Mature? The stage of development has an impact on both valuation methodology and value.

The third are other contextual impacts on value such as the competitive environment, the cost to bring to the market, the legal environment, strategic positioning and economic impact.



To value technologies and patents ICM Advisors has developed a specific methodology (**TES® Technology Equity Score**) that analyzes and values 32 metrics elements in 6 areas:

- role of the technology in the market/product segment
- life cycle positioning
- quality and asset risks
- business impact (cost, volume, market share)
- legal and management status
- potential in use or exploitation in other markets/applications.



BRAND VALUATION

With the emergence of the global economy and increasing competition, brands and brand management have become a core element of corporate policy.

Brand Valuation has become an essential strategic element in the executive management of the modern enterprise. Well-managed brands are a significant aspect of corporate worth, often valued at significant percentage of the enterprise value (up-to 80% in totally brand-driven companies), and can be the most valuable asset an organization possesses.

Today brand valuation plays an essential role in many aspects of business management such as:

Business Strategy

- Understand where and how the brand creates value by market, by customer segment, by product and by channel.
- Develop strategies for brand portfolios for investment, divestment and rationalization (Budget allocation).

Marketing

- Establish strategies to optimize brand investment & return.
- Size the potential brand value creation from brand extension into new markets, new products or new channels.
- Understand brand equity and how to track this over time.



Financial Leverage

- Size appropriate royalty rates for brand licensing to third parties.
- Size internal royalty rates for the use of the brand within groups of companies.

Business and Financial Communication

- Conduct brand valuations for balance sheet purposes by reporting unit.
- Communicate the value added by the brand on an ongoing basis to the investment community.

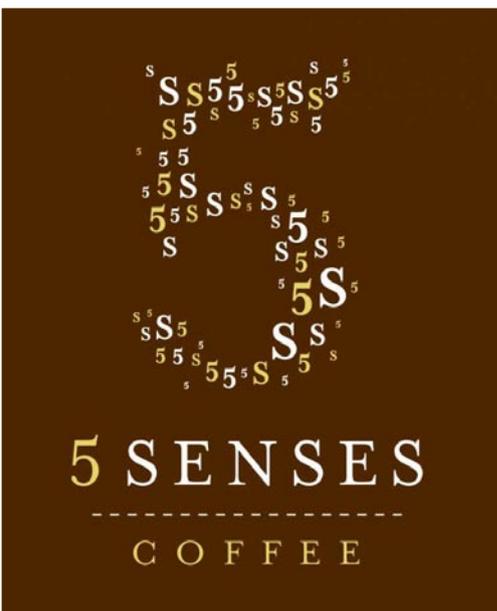
Mergers, Acquisitions and Joint Ventures

- Establish an appropriate price on acquisition or disposal.
- Establish the financial contribution of the brand in joint ventures and alliances.
- Separate the value of the brand from goodwill and the rest of the business.

ICM Advisors has significant capabilities in Brand Value Management in terms of industry, marketing and financial expertise of its advisors and research analysts and in terms of industry-accepted practices integrated with innovative proprietary valuation methodologies and tools.

We help clients to understand the brand by creating a business, marketing and financial model that defines the brand's current and potential value.

Robust brand valuation methodologies and practices are now widely recognised by the business and financial community. We have innovated the brand valuation practice by introducing a formal assessment and valuation of the branded business, of the Intangible Asset Portfolio and of the Brand Promise Delivery (customer/channel experience).



ICM has conducted over 300 brand valuations for different purposes such as:

- Valorization opportunities
- Licensing
- M&A transactions
- Market entry strategies
- Transfer between legal entities
- Collateral for Debt restructuring



The brand valuation process is supported by extensive business/marketing research and competitive intelligence carried out by ICM Research, our dedicated unit of Research and Competitive Intelligence.

Brand Equity Score® is our proprietary methodology that assesses the brand current and potential value, based on market attractiveness, brand positioning and differentiators, business impact, market image, brand management organization and brand potential.

The methodology integrates, reinforces and qualifies the brand financial valuation recognized by the business-financial community.

OTHER IDENTIFIABLE INTANGIBLES

ICM Advisors has the valuation's experience of other identifiable intangibles such as: Proprietary know-how & Trade Secret, Copyrights, Industrial Design, R&D projects and Contract-Related intangibles (franchises, licensing agreements, construction permits, broadcast rights, and service or supply contracts).

PROPRIETARY KNOW HOW & TRADE SECRETS

Trade secrets are valuable both as an alternative to patents and as a complement to patents.

They are proprietary information, knowledge, formulas, methods, designs or processes.

What differentiates trade secrets from know-how is that they must present a commercial advantage; they are not commercially known or readily ascertainable; and they are subject of efforts to keep such knowledge secret.

We have developed and practiced a specific methodology to value the Proprietary Know-how (**KES® - Know-how Equity Score**).



INDUSTRIAL DESIGN

Industrial design impacts on the Brand value of many consumers and semidurable products such as automobiles, furniture, white goods, mobile phones, consumer electronics, tablets.

Through its **DES® (Design Equity Score)** methodology we value the economic and financial contribution of the Industrial Design to the Brand value.

IN PROCESS R&D VALUATION

In-process research and development is a complicated concept, that deserves a high level of attention from companies and investors.

In-process research and development (IPR&D) activities can have significant value and drive a significant component of the acquisition price of companies, particularly in the software, technology, pharmaceutical and life sciences industries.

IPR&D refers to an intangible asset used in R&D activities and is distinguished from a tangible asset that is used in R&D activities (e.g. laboratory equipment) or an intangible asset resulting from completed projects R&D.

We support companies and investors to understand the issues and rules relating to in-process research and development expenses in order have a sound valuation for investment decisions.



COLLABORATIVE R&D VALUATION

In R&D there are cases when it may be favorable for an enterprise to collaborate with a company, university or some other organizations or consortia.

To successfully achieve R&D collaboration, the organization must manage many business processes, risks, controls and all the other issues involved. If an enterprise does not manage these issues, the collaboration may bring many drawbacks, including significant economic losses.

One of the key issues of Collaborative R&D is to value the potential IP Fall out and manage the ownership of the generated assets.

ICM has developed a significant know-how in working with industrial clusters that manage Collaborative R&D projects portfolio. To value R&D projects we have developed **PES® (Project Equity Score)** methodology that measures 27 elements in 5 areas: Probability of Technology success, Technology transferability level, Probability of commercial success, Business Impact, Forward IP

VALUATION TOOLS

METHODOLOGIES AND ADVANCED COMPETITIVE INTELLIGENCE SYSTEM

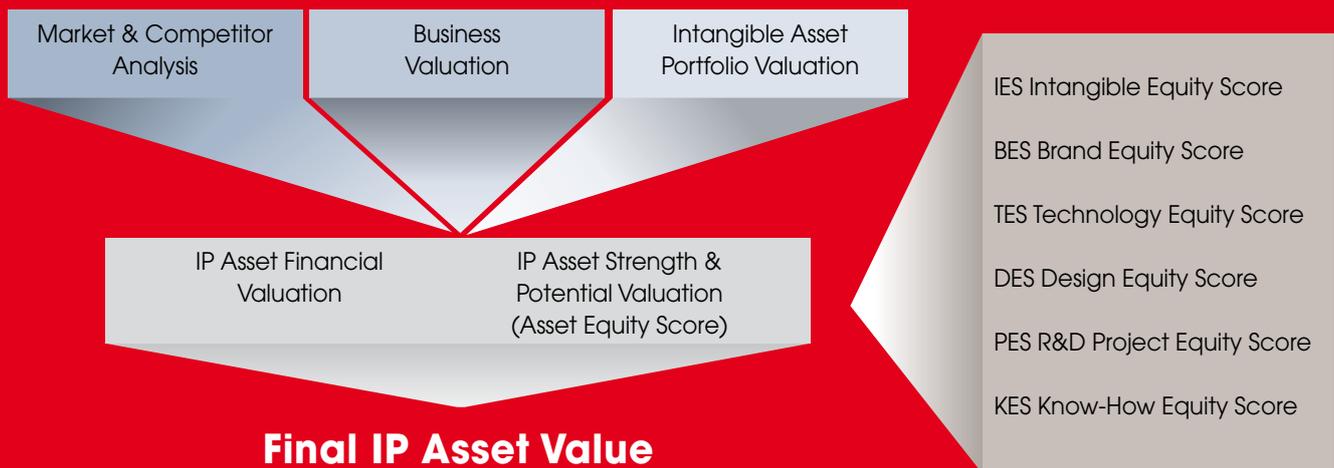
Intellectual property (patents, trademarks, copyrights, trade secrets and other intellectual assets) is a highly specialized field.

Intangible Assets and IP valuation is our core expertise.

Since the foundation we have significantly invested in specific proprietary valuation methodologies by intangible asset class to integrate and strength the industry recognized financial valuation practices.

To ensure defensible, accurate valuations, we use standard financial valuation methodologies recognized by the financial communities integrated by our own state-of-the-art IP equity measurement methodologies.

VALUATION PROCESS FRAMEWORK



ICM's proprietary framework for valuing IP assets addresses all key elements impacting IP value and encompasses asset strength score, market opportunities, role of IP and estimated economic benefits.

For each asset class ICM has developed an asset equity score that values the strength and the potential from business and financial point of view.

Robust valuations require an extensive and updated Competitive Intelligence analysis.

The firm owns a proprietary advanced Global Competitive Market & Technology Intelligence System with financial, industry, marketing, technology and patent infobases organized and constantly updated by ICM Research & Competitive Intelligence unit.

INDUSTRIES & SOME PROJECT CASES

- Automotive supplier – Brand and Technology know-how valuation for international transfer pricing.
- Aerospace – Patent valuation for non-core patent Licensing.
- Vehicle Fleet Management – Technology valuation for dismissal.
- Construction fixtures - Know-How and patent valuation.
- Investors (VC,PE) - Technology assets valuation for target acquisition:
 - Packaging
 - Machinery
 - Automotive Engineering Services
 - Smart Energy
 - Aerospace, Construction
 - Contract Electronics Manufacturing
 - Industrial Automation – Technology valuation for M&A
- Mechatronics Industrial Cluster – Valuation of collaborative R&D projects.
- Luxury Jewelry – Brand valuation for Licensing contract renegotiation.
- Sportswear – Brand valuation for Debt Restructuring collateralization.
- Premium Dairy - Brand valuation for acquisition.
- Leading Business Fair – Valuation for asset recognition in balance sheet.
- Branded Sport Facilities – Brand valuation for long term facilities use contract.
- Tourism Agency – Valuation of marketing related intangible assets for acquisition pricing validation.
- Luxury fashion – Brand valuation for shareholder exit.
- Fashion – Brand valuation for transfer of asset between legal entities.
- Fashion Global event – Brand valuation for funding attraction and negotiation.
- Premium Textiles manufacturing – Valuation of Intangible Assets portfolio for Financial Communication.
- Premium furniture – Brand and intangible valuations for collateral for lending.
- Investors – Brand valuation for target acquisition (premium food, fashion, furniture, SME consumer goods).
- Banks - IA valuation for IP Loan product launch.
- Chamber of Commerce – IA first-cut evaluation methodology design and applications for SMEs access to bank's credit.

Aerospace

Automotive

Biochips

Chemistry

Cleantech

Consumer Goods

Electronics

Energy & Environment

Equipment Manufacturing

Fuel Cells

Green Buildings

ICT

Life Science

Luxury Goods & Services

Materials

Mechatronics

Media/Digital TV

Medtech

Optics

Packaging

Pharmaceuticals

Private Equity

Public & Private Research

Secondary Batteries

Semiconductors

Smart Grid

Software

Telecommunications

Textile/Apparel

Venture Capital

ICM Advisors

ICM Advisors is the Valuation and Strategic services of ICM International, leading European professional services network specialized in: IP/IA Valuation & Strategic Services (ICM Advisors), Research & Competitive Intelligence (ICM Research), Systematic Innovation & Technology Transfer (ICM Industrial) and Technology & IP Value Management (PATEV_ICM).

ICM Advisors provides valuation and strategic services to support companies in maximizing the strategic and financial value of their IP and Intangible Assets portfolios.

The firm has a strong specialization in industrial and financial management of IP and intangible assets supported by valuation methodologies recognized by the financial community and proprietary methodologies at the state-of-the-art of the best international practices.

The innovative IA/IP value management practices are integrated with Corporate and IP Finance capabilities to assist companies, investors (Private Equity, VC, Public funds) and banks in every step of the M&A lifecycle and the financing solutions design.

The high seniority of its advisors with international experience in many industries and with multi-disciplinary skills such as marketing, technology, business strategy, economic-financial valuation, corporate finance and development of international markets enables robust strategic and financial valuations and monetization solutions.

The firm counts among its customers Large corporations, SMEs, financial institutions and associations / industrial sectors, in both B2B and B2C sectors, which have chosen for its expertise, its innovative services, its advanced Competitive Intelligence Unit, the high quality of service and a global market approach.

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