

Mathys & Squire Consulting

Our services

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Working with Mathys & Squire Consulting

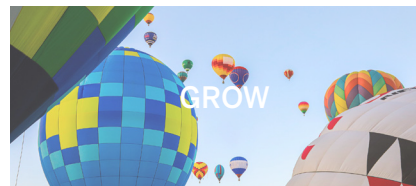
We are a team of experts with over 100 years of combined legal and commercial experience, giving us the advantage of providing strategic and commercial intellectual property (IP) advice that aligns with our clients' business goals. Our expertise spans the full IP offering across a range of sectors and technologies.

Mathys & Squire Consulting focuses on providing an independent and unbiased service to all our clients - from early-stage startups with growth plans, to SMEs and universities, through to large corporates seeking to expand their IP portfolios. Through our strategic and tactical IP advice, we realise meaningful value from our clients' intangible assets, supporting business growth and success.

Our work with innovative businesses covers a broad spectrum of sectors, but always with the key focus of developing commercial IP management strategies. We provide IP consulting services such as due diligence, audits, valuation, training, innovation landscaping, licensing, monetisation and competitive intelligence.

Our core service model is simple and transparent. We understand that innovation businesses require flexibility and agility from their service providers, and thanks to our considerable experience, our service model has been built on this very foundation: we adapt and develop our advice to match your business's pace as it grows and flourishes.

Clients benefit from an unrivalled in-house capability; we work closely as a team drawn from across the Mathys & Squire business, to provide a holistic service that encompasses both the legal and commercial aspects of IP. Our service is budget-focused; we provide set fees in advance so that you will never be faced with an unexpected invoice.



Start + sustain



For early-stage companies and SMEs, it is extremely important to be aware of your intangible assets, how these contribute to your business and its revenues, and how these assets can be used to drive further growth. Our experienced and commercially focused team helps clients to unlock the value in their intangible assets, develop strategies to maximise their potential and ensure best practice is followed to keep these assets secure.

Intangible asset audit / IP audit

An intangible asset audit is an invaluable exercise for any business to undertake. When you commission us to carry out the audit, we:

- highlight all the IP and intangible assets in your business
- deliver the audit using an interactive discovery and learning approach
- inform you what each type of asset involves
- provide tailored recommendations about each type of asset
- give you an IP strategy action plan for the coming 12 months
- provide you with all of the above in a detailed written report

You can use the IP audit document to help manage your business, and also as a tool to instill confidence in potential investors or grant funders.

Best practice & policy

We advise our clients on best practice in the identification, protection and commercialisation of their intangible assets. These are aligned with their overall business strategy, while also assisting in the implementation of formalised IP/intangible asset policies or contractual agreements.

Innovation harvesting

Startups and SMEs are constantly innovating and inventing. Without a process in place, much of this innovation and associated potential new commercial opportunities may be lost. We assist clients in implementing invention recording and innovation harvesting processes in-house. This ensures all new innovations are recorded and reviewed to ensure potential opportunities are not missed.

On-call IP management

Our clients have access to us for assistance with ad-hoc queries. As a valued client, we are available to assist and advise you on IP issues affecting your business. Where more significant help is required we will propose a separate project for this purpose.

Market explorer

Early-stage businesses require a well defined business plan to be successful. One of the important steps in developing a business plan is knowing your market, both in terms of application and also geographically. Our market explorer service provides an initial indication of main application areas or industries which you should target as well as the main geographies where your product or service might gain most traction.



Grow



At Mathys & Squire Consulting, we recognise the importance of startups and SMEs quickly gaining market exposure and traction. This tests market interest and is also vital for fundraising. We focus on the following factors to help our clients grow:

Business strategy

Having a coherent business strategy and an aligned IP strategy is vital for an early-stage company or SME. Without a strategy, it will be challenging both to meet your growth targets and to persuade investors to join you in this journey of growth. We assist clients in preparing their business strategy, and planning how best to utilise their assets to enable sustainable long-term growth.

Competitive intelligence

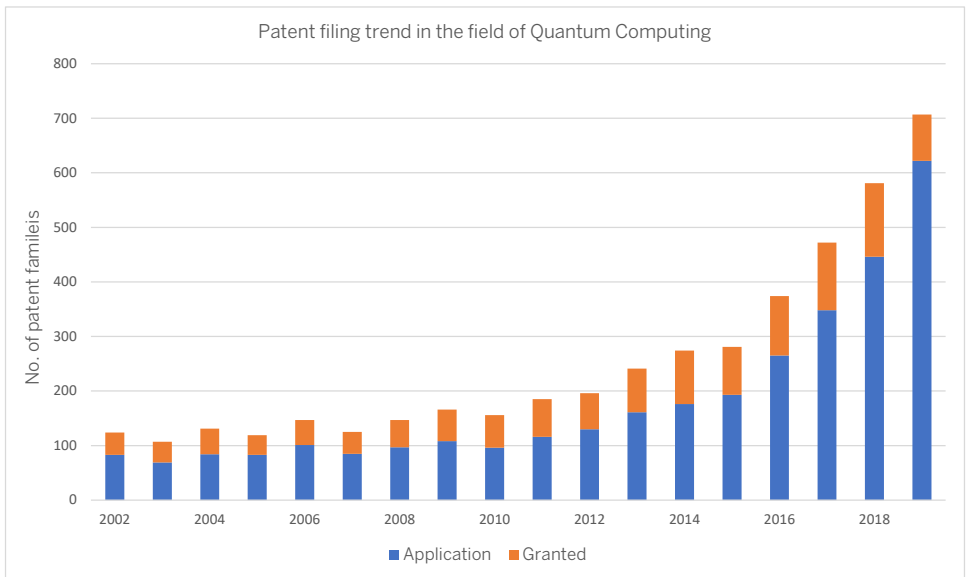
For any company, it is very difficult to make a sensible proposition to your customers without knowing the market and your competition. We investigate your technical field or particular application area and identify the main entities already active in the field, as well as newer market participants who may represent potential development partners or licensees for your business.

Mergers & acquisitions

If your company is about to undergo an M&A exercise, from either the buy or sell side, it is imperative that due diligence of the IP assets be undertaken. This includes ownership of the rights, but also relevance of the IP assets to the business and its revenue streams. We can help you in this process and ensure you have full understanding of the intangible assets involved in any M&A transaction. We provide clear and definite due diligence opinions, both commercial and legal, regarding the status of the IP that underpins a potential transaction.

Portfolio management

Our team of experts will assist you in putting a clear IP strategy in place, and with it, a defined process for reviewing and managing your intangible asset portfolio. We work with you to align your IP strategy with your business goals, relevance to business activities, and risk.



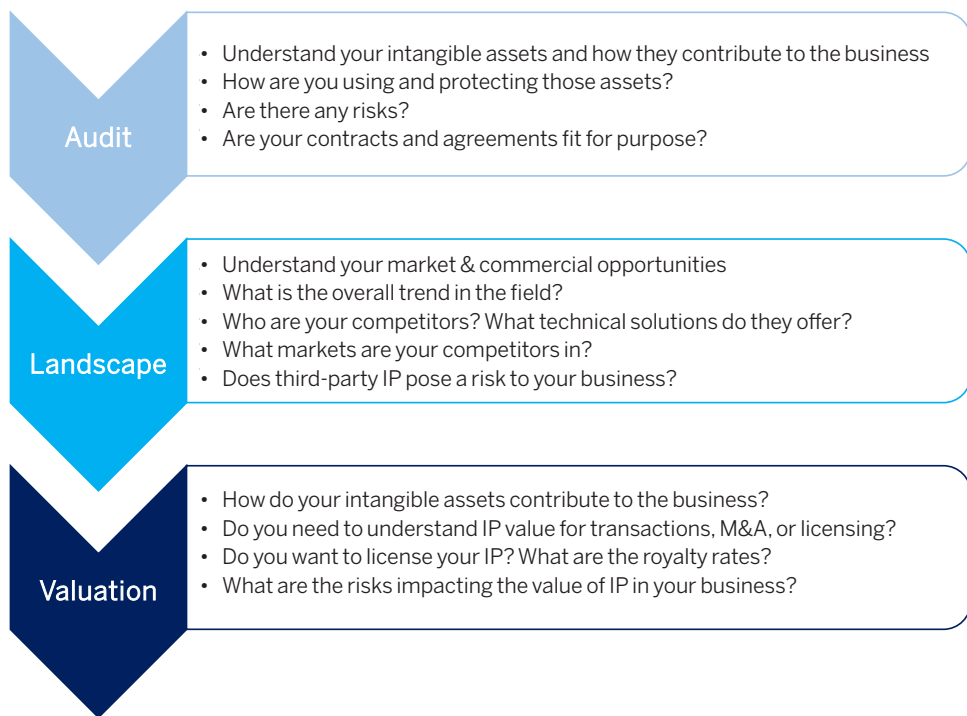
Licensing & transactions

As your business grows, especially in the case of IP rich companies, it is highly likely that new opportunities for licensing or other IP or business transactions will arise. Our team is highly skilled in the licensing and brokerage of intangible assets and ideally placed to provide guidance on licensing conditions, royalties, locating licensees or discussing brokerage opportunities. We also provide support in IP litigation and the determination of damages from infringement.



ASK YOURSELF

- How many patents or trade marks do I actually need?
- Does my current IP actually protect my revenues?
- How can I grow my portfolio?
- How can I reduce portfolio costs?
- Should I do the licensing deal?



Innovation landscape

We can assist you in gaining further understanding of the overall technical landscape in which you operate. By undertaking an innovation landscape analysis, we will help you identify:

- Who are the main companies in your field?
- In which industries and areas of application are your competitors operating (but you are not) where can your innovation be applied?
- Which approaches are competitors using to solve key technical problems?
- What are the geographic regions of most interest for my innovation?
- Who are the most suitable potential development partners or licensees?

Valuation



A valuation of your intangible asset portfolio is an important way to gain an understanding of how to retain and build business value and also to identify significant risks facing the business. We provide detailed valuation reports, supported by a comprehensive analysis of your business plan, financial projections, market analysis and IP portfolio, as well as benchmarking relevant industry royalty rates. Our team uses defined and well-recognised methodologies for the fair market valuation of IP (the price that would be agreed between a willing buyer and a willing seller acting independently in a market), incorporating net present value (NPV) calculations with discounted cash flows.

Our IP valuations require an understanding of the business, the wider industry, and the relevance of the IP assets to the business; these are used as a negotiation tool to help support strategic, business and investment decisions. We enable our clients to understand the assumptions made in the economic modelling and valuation methodologies, as well as the risks involved so they are well prepared for their negotiations.

Investment

For startups, spin-outs and SMEs seeking investment and entering into fundraising discussions with investors, we provide IP valuations, supported in many cases by an IP audit. A valuation of your IP at this stage can show potential investors that you have identified and protected your intangible assets, allows you to identify risks to delivering the business projections and how these will be mitigated, and therefore increase confidence with the investor. In other cases, we work with investors who need to understand the full value of the intangible assets in a potential portfolio company prior to investment.

Transaction and licensing

We support our clients in valuing intangible assets and intellectual property ahead of asset transfers between companies and jurisdictions, where there may be tax and transfer pricing considerations. Our IP valuations are also used during M&A transactions and divestments, especially in technology and IP rich companies, where the value of the IP portfolio has a significant impact on the overall enterprise value. IP valuations using the relief from royalty methodology can be very useful to articulate the value of IP assets ahead of licensing discussions, and also to provide an insight into appropriate royalties for IP assets in specific technical fields. Furthermore, IP valuation can be a useful tool in cases of infringement, where estimates of damages need to be determined.

Valuation methodologies

- **Cost approach**

Here we make an estimate of the costs of development of the IP to date, allowing for obsolescence. Typically, this looks at the cost to replicate the product or service offering. For this purpose, we usually look at the research and development (R&D) costs in developing a technology and the IP costs associated with protecting that technology. This can be used as a baseline to understand value (and to support balance sheet reporting) but does not represent the full future potential of an innovation.

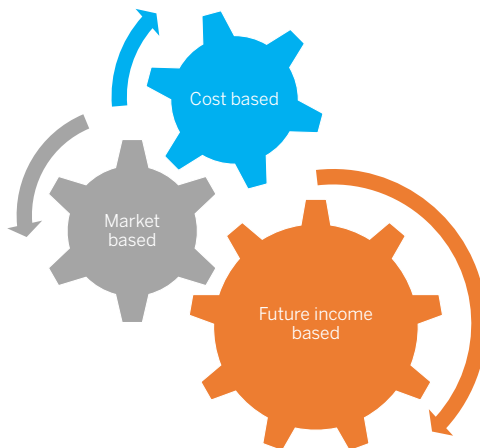
- **Market value approach**

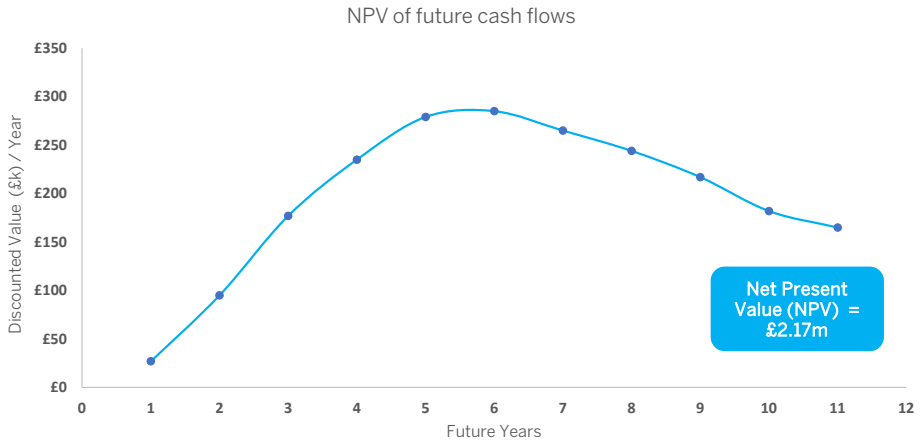
A market-value based approach relies on the ability to identify transactions similar in character and for similar types of asset. Such an approach is familiar in real estate and art markets.

This approach essentially benchmarks the assets and transaction of interest against those of similar assets, in a similar technology in the wider industry. IP is very broad in its nature, and transactions are often private, so this approach is often of limited applicability.

- **Future income model**

This approach is based on making an estimate of the current value of future cash that can be attributed to the intangible assets, often using a premium income or a "Relief from Royalty" methodology. This approach, based on the net present value (NPV) of these future discounted IP related cash flows attributable to the IP generated by the business, considers risk through a combination of explicit risk discounting and a discounted cash flow (DCF) methodology. We identify specific risks to the business and apply discounts based on those risks. This can be very useful when speaking to investors as you can identify the risk in a technology proposition, the routes to mitigation of those risks and the impact this has on the value.





Business support

Where a business is looking to grow its IP portfolio through acquisition, it is imperative that the business receives a free market valuation of that IP asset to ensure it is paying a fair price. Increasingly, as company value nowadays becomes ever more reliant on intangible assets, many businesses are seeking to reflect this value on their balance sheets. IP valuations of such assets are frequently used for this purpose. For businesses actively using their IP assets to generate revenues, but also seeking to inject capital into the business, IP-backed financing may be a suitable option, with a valuation required to underpin the use of the IP assets as security.

Administration and insolvency

Intangible assets and intellectual property are asset classes that can provide considerable value to a company, not least when it unfortunately enters administration or insolvency. IP valuation is a necessary tool for not only providing reassurance to creditors of the existence of value retained in the business, but also an indication of the price at which those assets could potentially be placed on the market.

Invest



As any founder or company executive knows, in order to grow and get your product to market and gain traction, you need significant capital investment. Having a strong and robust intangible asset portfolio will considerably enhance investor confidence and provide reassurance on potential return on investment. We can help you deliver this through:

Due diligence

An IP due diligence exercise is an assessment of the intellectual property rights which a company has developed, owns or licenses from another party, and the impact these assets have on the business. In this context, typically an IP due diligence process will involve:

- Analysis of the chain of ownership of the intellectual property rights and any related encumbrances or liens against the IP assets
- Assessment of the validity and enforceability of the assets, and their relevance to the business using the assets
- Review of additional and adjacent IP rights, often related to registered IP rights, such as know-how and copyright
- Current use of the IP assets in licensing agreements and any contractual obligations relating to the IP assets
- Involvement of the IP assets in any litigation or any ongoing observations against the IP assets



IP DUE DILIGENCE CHECKLIST

- ✓ Determine clear chain of ownership of IP rights
- ✓ All opinions relating to validity or enforceability of IP rights
- ✓ Contractual assignment of IP rights
- ✓ Any liens or encumbrances on the IP rights
- ✓ Any charges of infringement or legal challenges
- ✓ Copies of all relevant IP policies, including trade secret policies
- ✓ All rights protectable as copyright
- ✓ Tax implications in transfer of any intangible assets

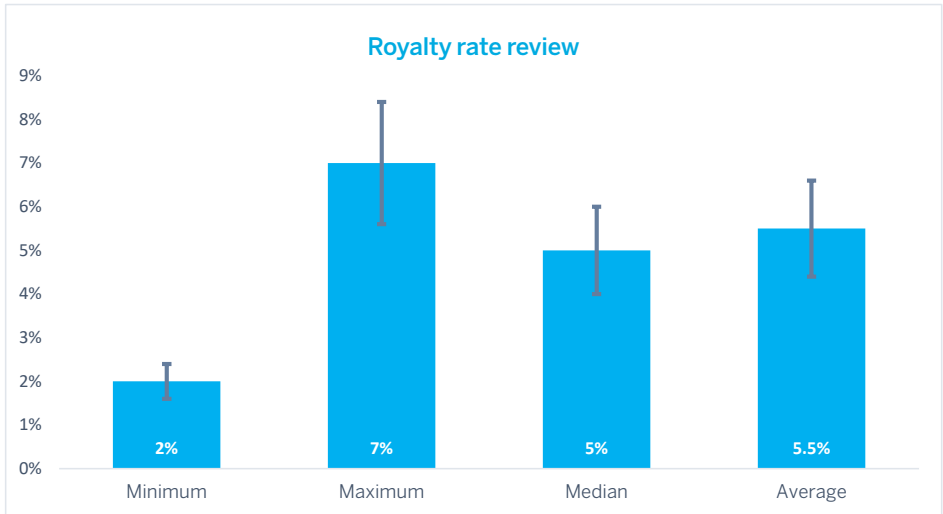


Business plans

As part of our work with clients we frequently review company business plans and financial projections. We do this to gain an understanding of how the business is performing, how it will meet its projections and the importance of its IP assets in meeting those projections. As such, we are perfectly placed to assist clients in developing their business plans and ensuring that they have a clearly laid out plan detailing the business proposition, plans for growth and revenue generation, and the relevance of their intangible assets in delivering these revenues.

Contract reviews

As part of our services we assist clients by reviewing their licence agreements and other contracts. We have significant experience in both drafting and executing contracts, and in providing contracts consultancy. We highlight potentially problematic issues in client agreements, then suggest ways to resolve such issues. These may relate to the terms of the licence, royalties, duration or technical and geographical scope of the portfolio being licensed. Our focus is on the commercial implications of the contract. In all cases, we flag these issues and draft text as appropriate.



Royalties

As part of our valuation process and in licence discussions, we regularly review royalty rates across specific industries and specific asset classes. We have access to extensive proprietary royalty rate databases and with this we can provide you with suitable royalty rate benchmarks based on:

- Different licence/agreement conditions or unit types
- Different asset types (patents, trade marks, know-how, etc.)
- Different industries and sectors



CONSIDER

- What is my common base? Net sales, gross sales, units sold?
- Is my licence exclusive or non-exclusive?
- Does my licence cover a single application or multiple applications?
- Free market or intra-company licensing?

Intelligence



Competitive intelligence is not simply a matter of gathering information on your competition or the market; it is the analysis of this information, drawing conclusions from this combined information to deliver strategic insights into your competitors or the industry, and how you and your company fit into this overall context. We assist our clients in this in a number of ways, namely:

Market intelligence

A market intelligence study is a detailed analysis of a specific market or industrial sector to assist a client in identifying the overall market for their technology, how they might address that market, what routes they may have and important players in that particular market - some of which may represent competition, whilst others may be future partners or collaborators. Knowing your market and your relative position allows you to effectively build a strategy for gaining a share of that market and a business plan on how to make that a reality.

White space / foresight analysis

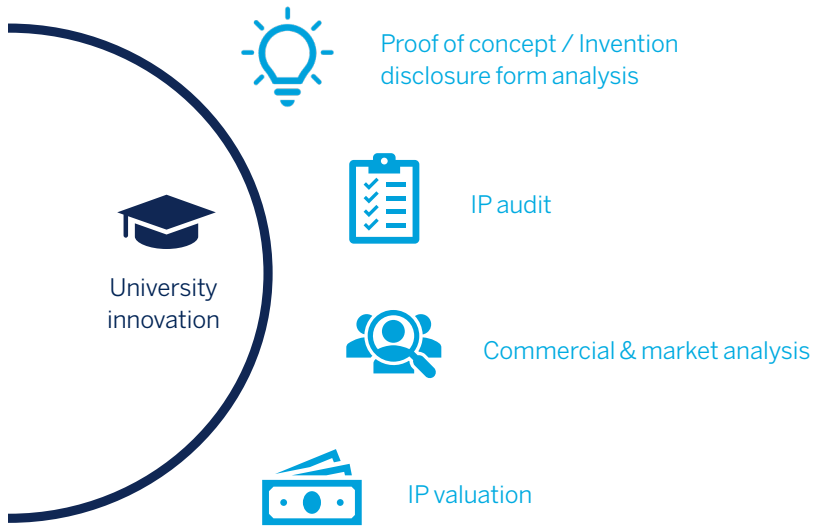
Many companies operate in or wish to enter busy and heavily developed technology sectors, with significant amounts of competition. These sectors often represent large and potentially lucrative markets, but may also contain very large companies with large IP portfolios. In this context, a company can identify a niche for itself through a white space analysis - a gap in the market as yet unfilled. Through such an exercise, a business can develop a product or service to fill such an identified market need and develop suitable IP to help them protect their position in that white space.

IP brokerage

When a business or an individual creates a great invention or builds a revenue generating opportunity for a business, the reality is that often the individual or team does not have the time or the resources to take the invention to market. However, they still wish to generate revenue from the invention, perhaps through a sale or alternatively through licensing it out to others. Our team has both the expertise and experience to help clients extract value from their intangible assets. We deliver a focused programme of activity to ensure that the client's intangible assets have the maximum possibility of being commercialised.

The overall customer journey was nothing less than holistic. The team helped me to paint a strategic map, with various options that injected confidence... Their input was seminal in the final successful outcome, so I would have no doubt encouraging anyone looking for specialised advice on IP management to work with them.

KP Acoustics



Technology transfer / University spin-outs

We support university technology transfer departments in numerous ways. Our main focus is helping researchers understand the reality of both the patent landscape in a technical domain, as well as the commercial potential for an innovation were it to be commercialised. Our technology transfer interventions range from early-stage investment appraisal (is it worth investing funds in this sector?) to IP audits for spin-outs to licensing packs for teams which prefer to license out their innovations to enable the maximum level of impact for their work.

Our consultants have worked in top UK research organisations (including Russell Group universities) and are attuned to the deliverables that the research sector seek to achieve. Our work has also been used by funding agencies to help finalise recommendations related to receipt of funding, based on a clear understanding of both the innovation landscape as well as current and future market opportunities.

Training



At Mathys & Squire Consulting we offer a range of bespoke training packages, both in person and online, covering a number of our key focus areas:

Commercial training

We offer bespoke commercial training on the use of IP and commercial intelligence to inform you and your business of the wider technology landscape. We show you the approaches of wider industry. Knowing what others are doing can enable you to make more informed decisions relating to:

- IP strategy and policy
- R&D activities
- Long term business plans
- Investment / fundraising strategies
- Potential partnerships or collaborations

In our commercial training we show clients how to use this information to guide innovation, mitigate business risks and to identify routes to market for your product or service. The learnings from the training can also be used to identify investors which may facilitate market access, or development partners to improve and expedite your route to market.

Valuation training

We offer IP valuation training for both university Tech Transfer Offices (TTOs) and corporate IP departments in bespoke online and in-person packages. Our IP valuation training courses are completely bespoke and highly interactive. The goal is that each participant will understand IP valuation methodologies and be able to undertake IP valuation exercises themselves. Each syllabus is tailor-made with the client, and uses client case studies, where appropriate, to ensure that the material covered and examples given are relevant to each group. Each course covers:

- Relevance of IP valuation and its uses
- Types of assets to be valued
- IP valuation methodologies
- Key terms in valuation and what they mean
- Valuation methodologies for different asset types and different business stages
- Case studies and in-class exercises
- Final exam and certificate of completion



TRAINING QUESTIONS

- What is a discounted cash flow (DCF) rate?
- What is a relief from royalty approach?
- What is the lifetime of a trade mark?
- How much of the value of a listed company is intangible?

Patent research / landscaping training

In our bespoke patent and searching training programmes, we teach our clients the importance of understanding the wider technology market and landscape, and the best tools to use depending on the requirements. This training is always commercially focused and can help participants to validate investment decisions and to justify a particular research strategy. We cover topics such as:

- General patent searching
- Freedom to Operate (FTO) searching
- Prior art searching
- Patent landscaping
- Technology market analysis
- Competitor analysis
- White space and gap analysis

Bespoke training

We also offer complete bespoke online and in-person training packages, covering any combination of the above topics, or additional IP related topics that the client would like covered. Provide us with an overview of what you would like covered in a course and we will develop a syllabus and course material to match, as well as developing suitable case studies and worked examples where appropriate. For example, topics covered in one of our online courses include patent searching, competitive analysis, and software licensing.

The training programs about IP Valuation and FTO Analysis were really interesting and useful. Quality of the content was informative and there was a nice balance of theory and practice. We were very pleased with the performance of the instructors, they were highly experienced and managed the program interactively.

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