

## Frequently Asked Questions (FAQs) about Exponent IP Ltd, how we work and what we work on

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*Who are you?*

We are a small company of IP specialists, with a great deal of commercial experience.

We are based in Europe but our focus is global.

Whilst we have a number of areas of expertise, our core work is in patent transactions.

We work for small companies and large companies, on transactions ranging from single patents up to portfolios of up to hundreds of items or more.

Our role is to engineer and facilitate transactions of IP, working on behalf of the seller.

We only ever work for sellers - in the world of IP transactions, this can be quite an important point: it allows for complete transparency and prevents any conflict of interest.

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*How are you different to your competitors?*

We are an honest, efficient and scrupulously ethical company - indeed, these are the founding cornerstones of our business.

We are extremely proud of our integrity and ethics - as a client, we are completely focused on your interests and with us you can be 100% confident that there will never be any unpleasant surprises along the way.

We focus on working on relatively low volume/high value transactions – we are able to offer as much (or as little) transaction advisory services as a client requires.

We have no affiliation of any kind whatsoever to the large, institutional buyers – one could reasonably say that these are qualities that any good transaction company should have.

Unfortunately, the reality is that they are in short supply.

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*What is your normal approach?*

Our normal approach is to target a group of potential buyers that is usually quite small, but all of whom will have a compelling strategic motivation - as well as a pure commercial motivation - for purchase.

As a result, we can practically guarantee a viable set of offers from a variety of potential buyers, and feel we can add maximum value by working in this way.

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*How are you compensated?*

For brokerage work, we are generally compensated on a no-win/no-fee basis, charging a commission of the transaction amount when a transaction is completed.

In very simple terms, what we offer is the opportunity for our clients to sell their assets for a much higher price than they would otherwise get in an open market.

Even with our fees, the outcome should speak for itself.

For larger clients we can offer an engagement model based on a monthly retainer and a lower per-transaction commission; we are flexible and always looking to adapt to our client's engagement requirements, if we can.

For other kinds of work, we generally charge a consulting day rate for an agreed number of days, just as other consultancies do.

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*How does the brokerage process work?*

Firstly we sign a fixed-duration exclusive representation agreement (and also a confidentiality agreement, if appropriate) with the client.

Then, after some initial discussions about the client's feeling of the market and further analysis of relevant market data we have collated, we create a portfolio of material (a prospectus, in effect) in support of the value of the IP to be brokered.

Once this stage is complete, we confidentially approach a highly-targetted group of potential buyers with the IP and the prospectus; typically, these buyers will remain anonymous until a non-binding offer is made and a confidentiality agreement is put in place.

Throughout the process, we will regularly update you with details of our progress, discuss any non-binding offers we receive and decide how to progress with them – in essence, we operate and manage the process, but the client will have complete freedom over what kind of price is acceptable for the IP, who you would (and would not) like to sell to and under what terms.

If we arrive at an acceptable deal for you and move toward completion, at that point we institute a unique escrow method that we

created ourselves specifically for the completion of patent deals: we engage an independent 3rd party "name" law firm, who will handle the "physical" exchange of payments and patent materials. Our previous clients have found this system to be completely transparent and reliable, offering them total peace of mind regarding the movement of funds from buyer to seller.

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### *Who are the Buyers?*

Buyers can include operating companies looking to fill a gap in their existing IP portfolio, or investment companies looking to acquire IP and then generate a return by further licensing them.

If they are operating companies who want to buy IP to fill a gap in their portfolio, they usually have an existing business in this technology space and understand the value of the patent simply by looking at it.

If they are interested in buying the IP to license it later, the key factor is how the IP fits with the other IP in their licensing portfolio, rather than the real benefits from the technology.

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*What are your key competencies?*

We would say

- our previous experience
- a highly-tuned sense of the global IP market
- a network of contacts with key buyers of all kinds
- a keen understanding of seller's needs
- a keen understanding of key buyers' needs
- highly-developed price negotiation skills
- a wealth of expertise of IP Purchase Agreements and all other relevant contracts

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