

IP Valuation Client Profile

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1 INTRODUCTION

The objective is to enable IP owners and investors to benefit from efficient IP securitization through ThinkVest's platform and the IP valuation service provider.

2 OPTIMIZING THE IP VALUATION PROCESS

To maximize efficiency, we will automate the pre-screening process for IP owners as much as possible. This will involve a detailed checklist of disclosures from IP owners, which includes:

1. Financial performance data.
2. In-depth IP portfolios.
3. Existing licensing arrangements.
4. Strategic plans and future projections.
5. Specific valuation objectives and intended capital usage.
6. Market analysis and competitive landscape.

By gathering this data upfront, we streamline the handoff to the IP Valuation service provider, ensuring a quicker and more precise valuation process.

3 IDEAL CLIENT PROFILE FOR IP SECURITIZATION

We are targeting US B2B SaaS companies as the ideal IP owner client, with the following criteria:

1. **Revenue Benchmark:** A minimum of \$250,000 in monthly recurring revenue (MRR).
2. **IP Portfolio:** A well-documented and comprehensive intellectual property portfolio.
3. **Financial Health:** Clear financial history and stability with at least 3 years.
4. **Capital Raising Goals:** Companies aiming to raise between \$1 million and \$20 million through IP-backed securitization.
5. **Well-Maintained IP Portfolio:** Organized portfolio that includes clearly documented intellectual property assets such as patents, trademarks, copyrights, and other proprietary rights. These assets should be directly tied to specific products or services, supported by licensing arrangements.
6. **Market Data:** Access to relevant IP market data, allowing for a streamlined valuation process.

4 ADDITIONAL CRITERIA FOR AN IDEAL CLIENT

1. **Valuation Deliverables:** Clients should select basic IP valuation options, such as a simple analysis or an opinion letter, for a cost-effective process.
2. **Minimal Liabilities:** Maintain minimal liabilities or demonstrate effective debt management to ensure financial health.
3. **Capital Deployment Plan:** Present a clear plan for utilizing raised capital, whether for R&D, business expansion, or debt reduction.
4. **Risk Management:** Have a robust strategy for addressing IP-related risks, including insurance for patent infringement, disputes, and market volatility.
5. **Competitive Positioning:** Provide evidence of a strong competitive standing with data such as market share, customer retention, and industry benchmarks.
6. **Market Data Access:** Operate in a defined industry with access to reliable market and competitive analysis, supported by stable or growing market share data.

4.1 KEY METRICS AND DATA

Ideal clients should supply measurable business information, including:

1. Revenue streams and projections.
2. Customer acquisition costs and lifetime value.
3. Debt-to-equity ratios and current liabilities.
4. Financial data segmented by business unit or region.

4.2 IP VALUATION PRE-ASSESSMENT FORM

To ensure a streamlined evaluation, clients will provide the following information:

1. **Prior IP Valuations:** Records of past assessments of IP assets.
2. **IP Portfolio Documentation:**
 - a) Patent applications, issued patents, trademarks, and copyrights
 - b) Documentation of R&D expenditures and agreements
 - c) Litigation history
 - d) Licensing agreements (inbound/outbound)
 - e) Joint venture agreements
 - f) Technology transfer agreements