

2015
Jul.29

IP Monetization in Low Carbon Technology Transfer Promotion

Suk Whan Chang

Chief Executive Officer

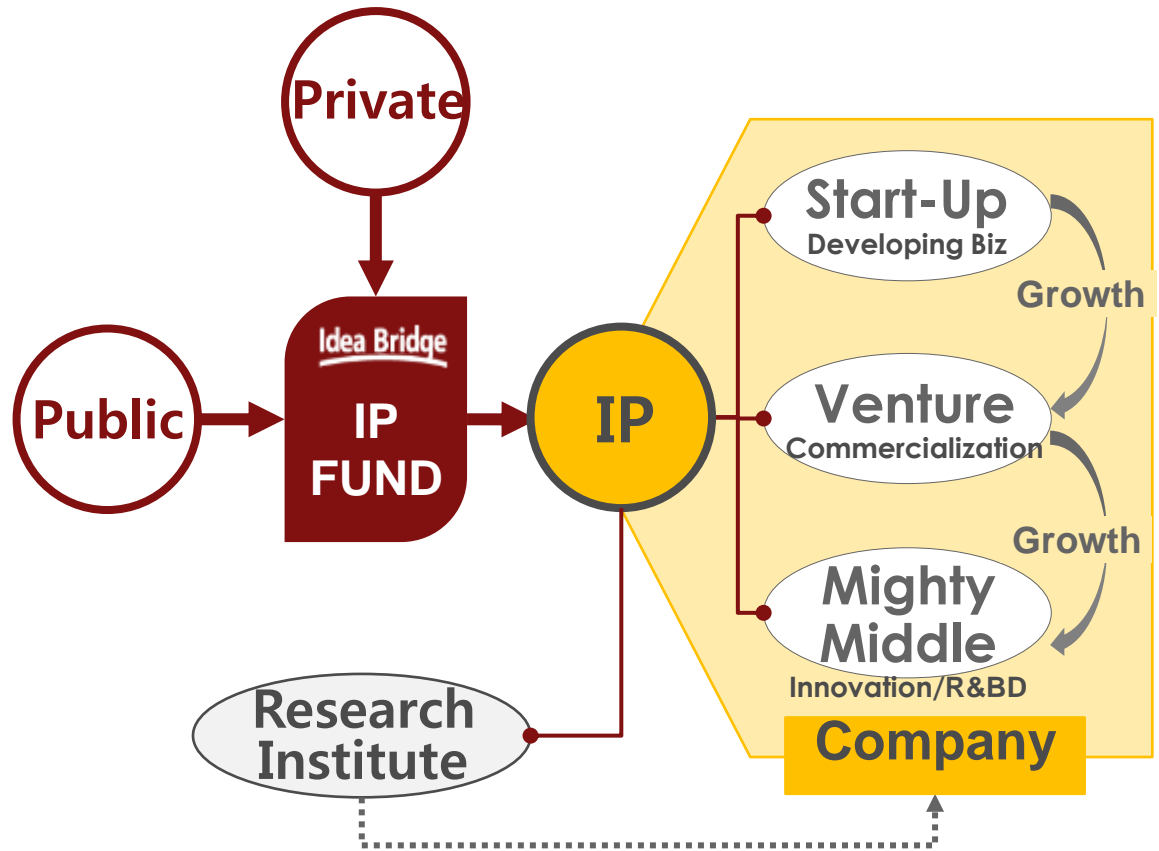


Introduction : Partnering Low Carbon Technology Transfer

Idea Bridge

Idea Bridge Asset Management Inc.

- ◆ **Established: October 7, 2011**
 - Special asset management firm licensed by Korean Financial Services Commission
- ◆ **Paid in Capital: KRW 4 Billion(USD 4M)**
- ◆ **Ownership Structure:**
 - 100% **Intellectual Discovery** — First invention capital of Korea, specializing in patent acquisition
- ◆ **Major Investment Targets:**
 - Intellectual Property Rights and Beneficiary Rights based on IP
 - Other Alternative Investment Assets
- ◆ **AUM: KRW 265 Billion (committed)**
(USD 265 M)

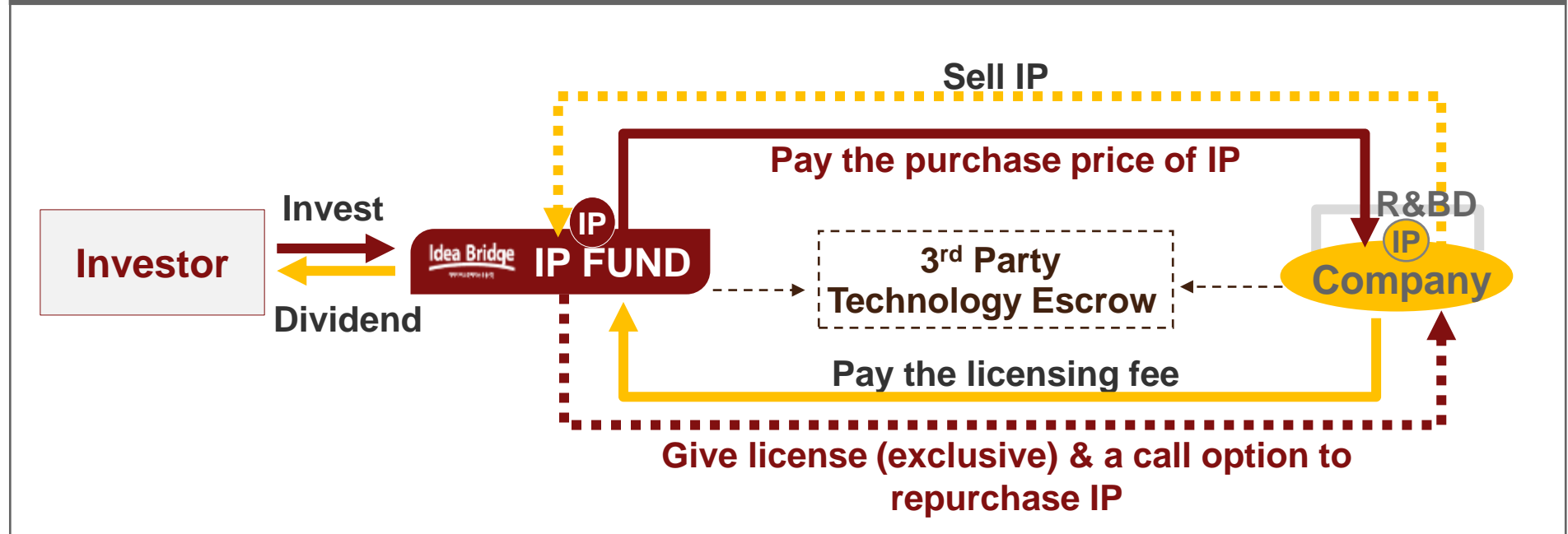


'Climatech' Transfer / R&D Cooperation

IP Monetization Model for LCT Transfer : Korean Case A

- **Strong IP** can provide “**Level Playing Field**” for SME.
- IP fund offers **growth capital** to **SMEs with strong IP**.
- IP fund provides **investors** with **current income** as well as **upside potential** based on the combination of **IP investment** and **mezzanine investment**.

IP Monetization Scheme Example : IP Sales & License-back

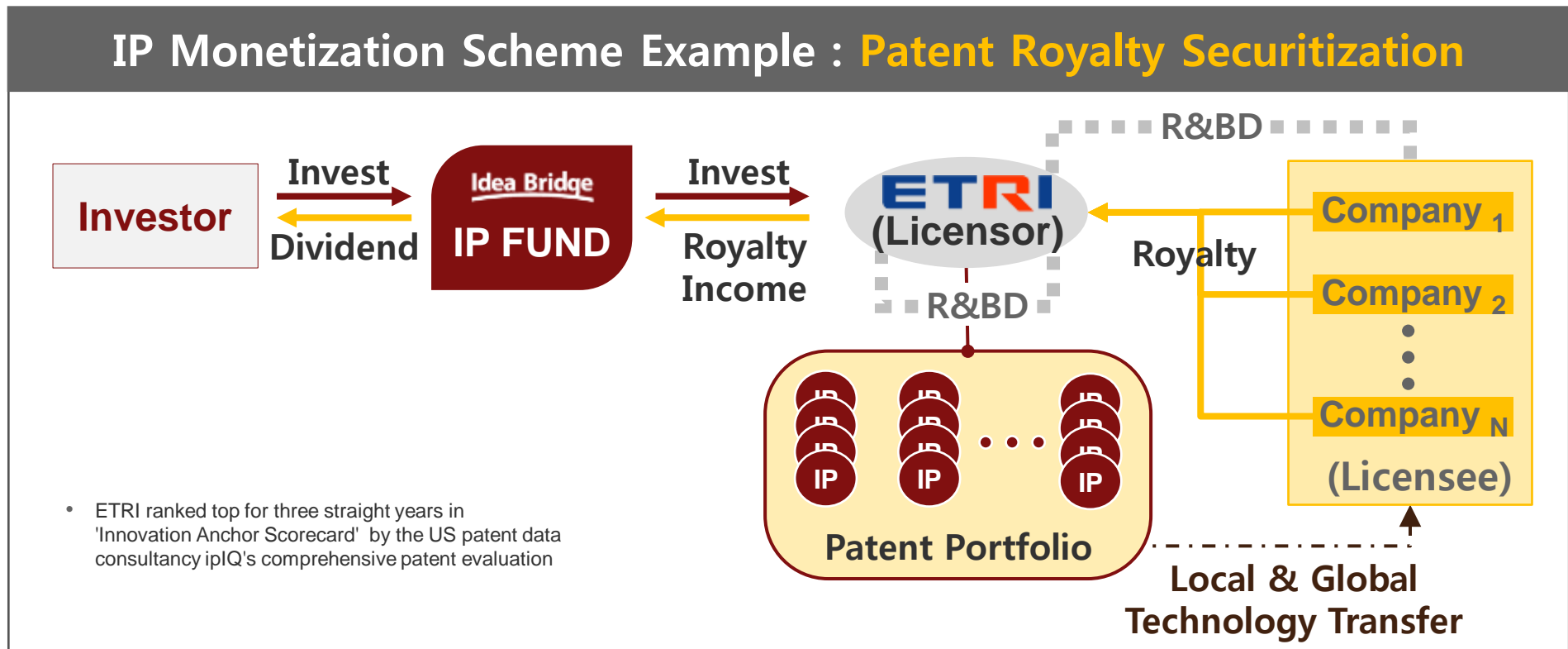


Note: * IP includes patents, trade marks, and copyrights etc.

Source: Idea Bridge

IP Monetization Model for LCT Transfer : Korean Case B

- IP fund can provide **“climatech promotion funding”** to a research institute
 - ✓ Cooperation with domestic and overseas **“low carbon technology”** companies
 - ✓ Creation, development and dissemination of knowledge and technology required for R&BD as well as commercialization in the field of climate change



Source: Idea Bridge, * The main function of ETRI presented at its homepage (http://www.etri.re.kr/eng/int/int_02000000.etri)

Frequently Asked Issues of IP Monetization

Valuation

- Option to resolve valuation gap

Liquidity

- Future cash flow generation abilities of IP
- IP registration in the key global markets
- Technology escrow

Transparency

- Participation of external experts in subject matters

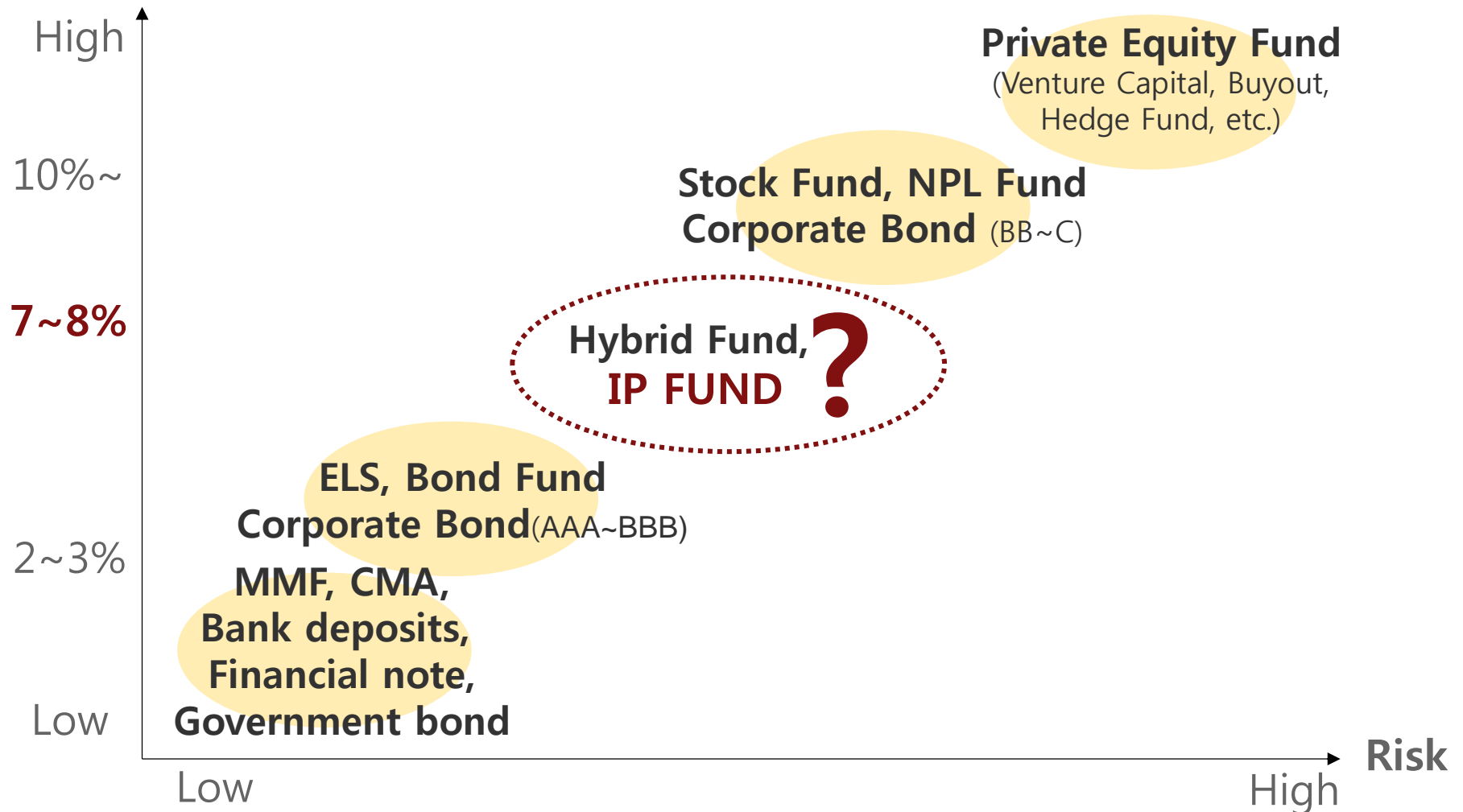
Risk hedging methods

- Insurance product development
- Combination with mezzanine investment

Source: Idea Bridge Analysis, Interview with investors and investees

Expected Return and Investment Risk of “IP FUND”

Expected IRR



Source: Idea Bridge Analysis, Economy Chosun (Feb. 2014), Deutsche Bank Annual Alternative Investment Survey (2014)

'LCT' IP Monetization : PPP Case in Korea (1/2)



Automatic Battery Swapping-type Electric Bus

IP Sale & License-back + Mezzanine Investment

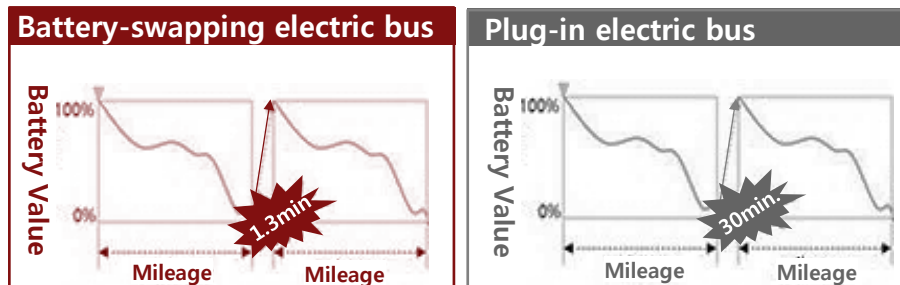
❖ Investee Outline

- ◆ Established in 2010
- ◆ 2014 Revenue : about USD 2.5 M

❖ Core Technology

Monitoring & maintaining	All-in-one system
 <p data-bbox="239 878 558 999">Monitoring of exchange, charge and drive</p>	 <p data-bbox="646 878 1047 999">Combination of e-bus, quick charge machine, and monitoring system</p>

❖ Comparison



Source : PMGROW

Korea introduces “**automatic battery swapping-type electric bus(ABS E-Bus)**” with proven economic feasibility.



A project of developing EV technology supported by Ministry of Land, Infrastructure and Transport

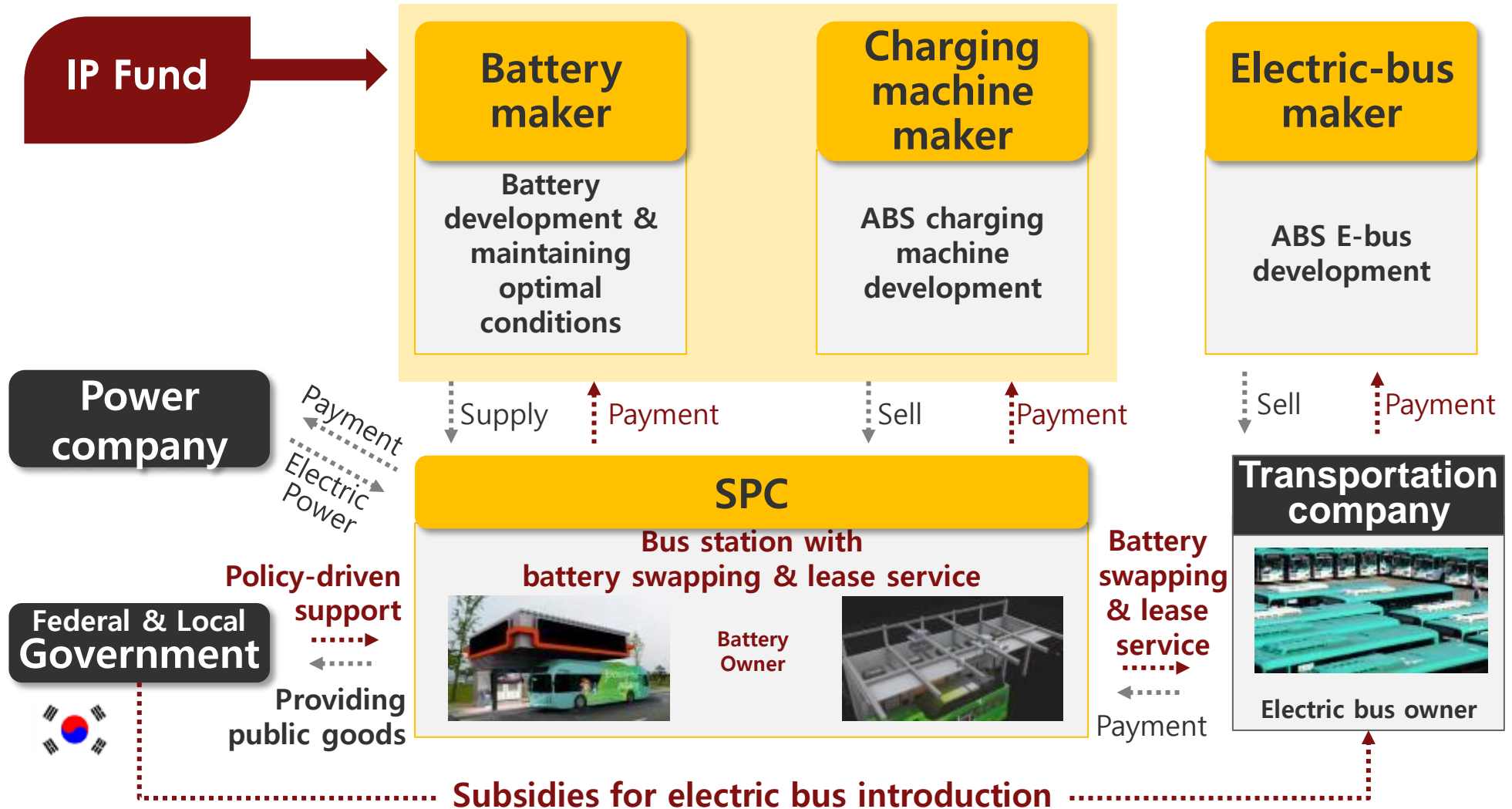
A project of battery swapping-type electric bus system by Pohang city in Korea

Cities introducing “ABS E-Bus”

- ✓ Local government budgets were approved for introducing ABS E-bus.
- ✓ Cities are selecting “ABS E-Bus” SPC operators.
 - Cheju Island – May 2015
 - Kimpo – June 2015

'LCT' IP Monetization : PPP Case in Korea (2/2)

Automatic Battery Swapping-type Electric Bus (ABS E-bus)



Success Factors for 'LCT' Transfer Promotion in Asia

A

Provide emerging-market expansion opportunities for advanced technology holders

B

Identify and source target companies in developing countries that are mature enough to absorb technologies

C

Provide a funding pool to acquire/transfer IP and technologies that may be too expensive for the target companies

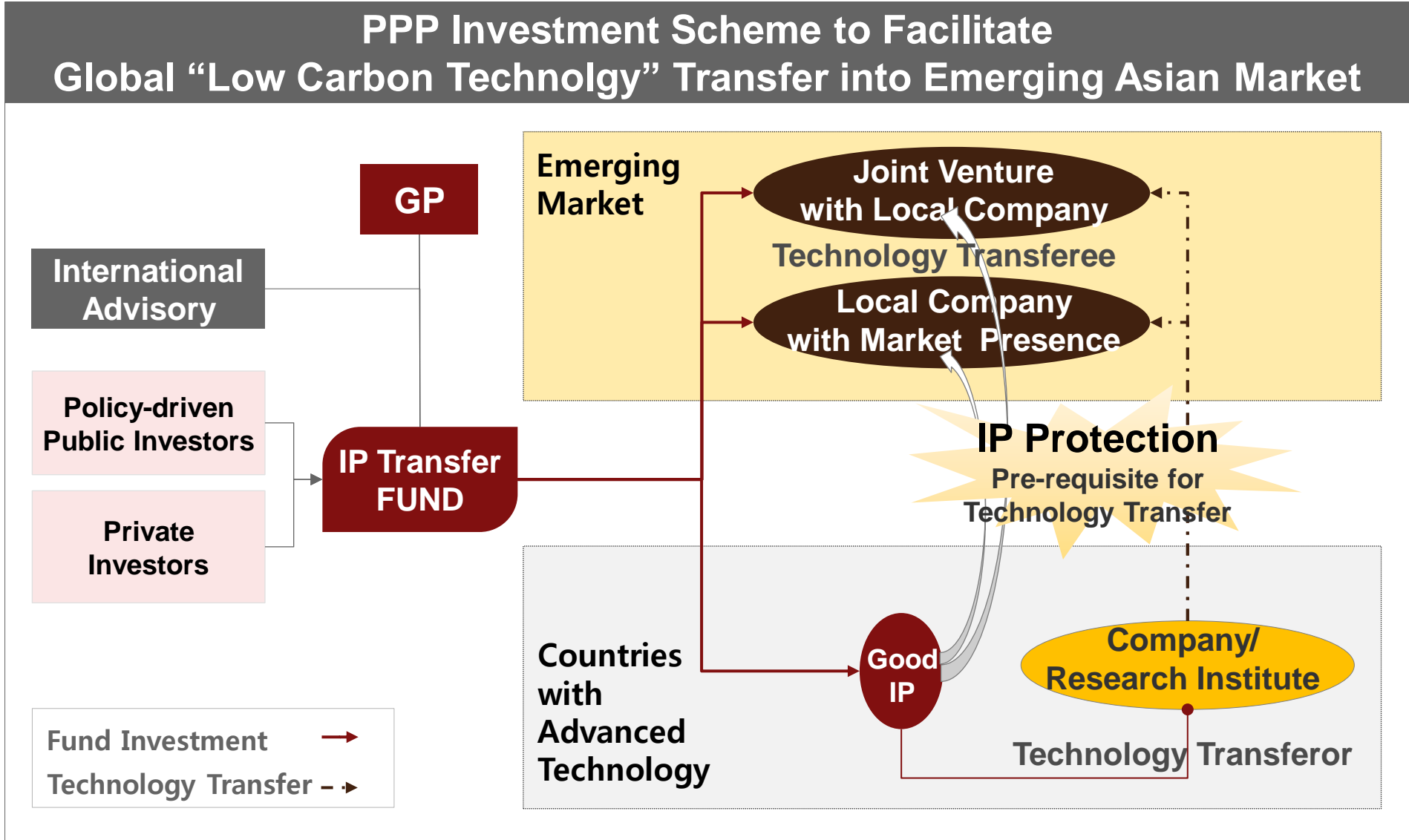
D

Link up international entities such as ADB, UN, World Bank, etc. to facilitate 'climatech' transfer

E

Engage local governments for various incentives (land, infrastructure, funds, tax, IP protection, labor force, etc.)

IP Monetization Scheme to Promote 'LCT' Transfer



Source : Idea Bridge

Closing Remarks

CONTACT

Suk Whan Chang

CEO

Idea Bridge Asset Management

sw.chang@ibridgefund.com

© 2015 Idea Bridge Asset Management, Inc.
All Rights Reserved.

Disclaimer

This material has been prepared for general informational and discussion purposes only and is not intended to be, nor shall it be, construed as investment or other professional advice, or does not constitute an offer to participate in any investment. Please refer to your advisors for specific advice. The information contained herein may not be accurate or up-to-date.