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IP Monetization in Climate Technology Transfer Promotion

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Chief Executive Officer

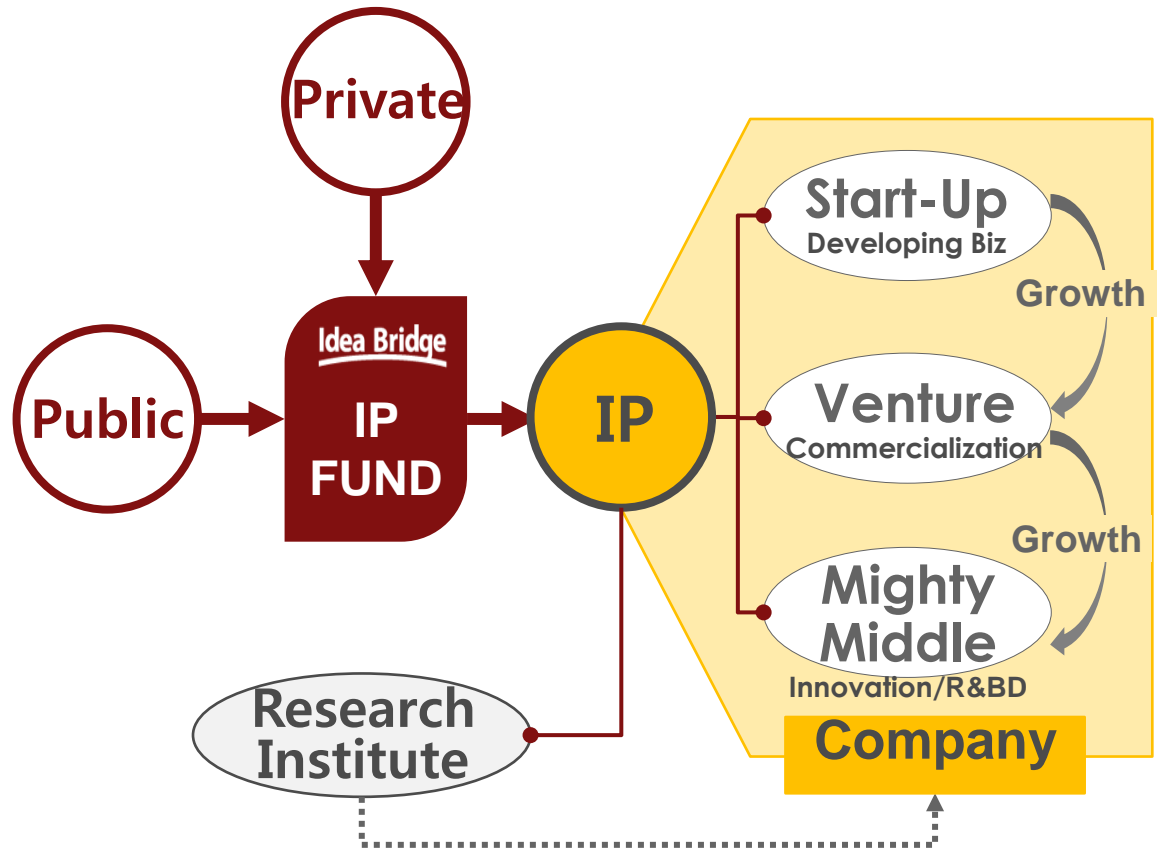


Introduction : Idea Bridge's Role in Climatech PPP*

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)

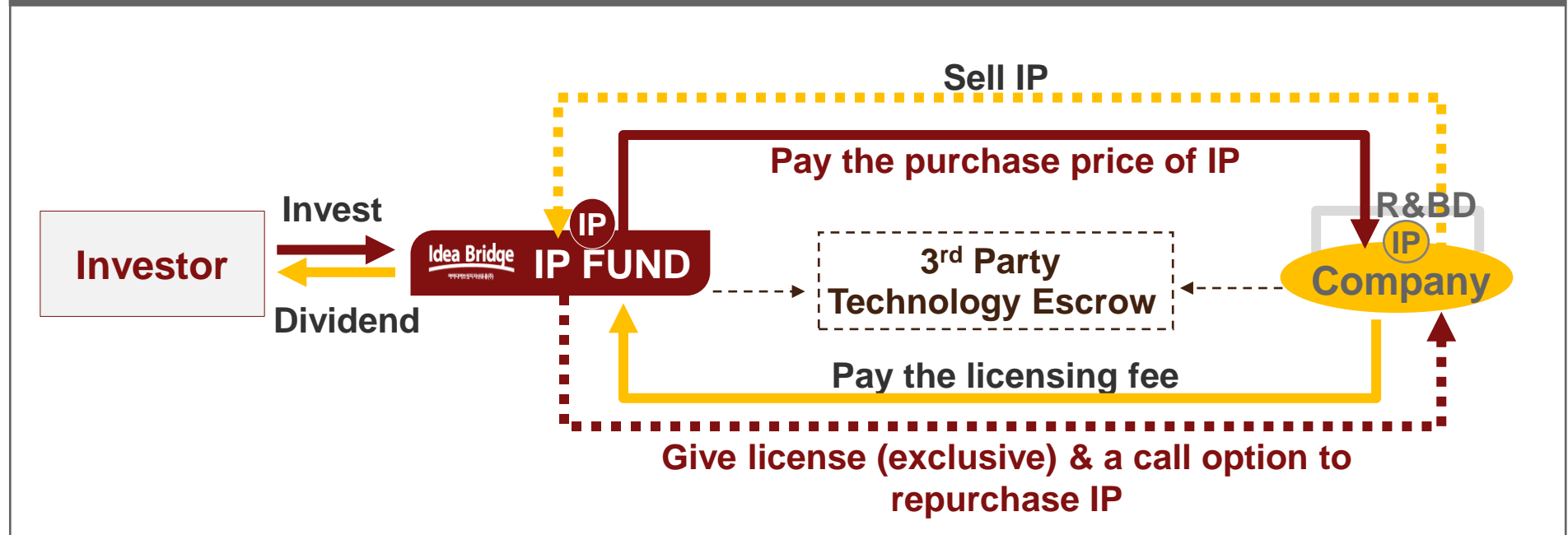


'Climatech' Transfer / R&D Cooperation

IP Monetization Model : 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



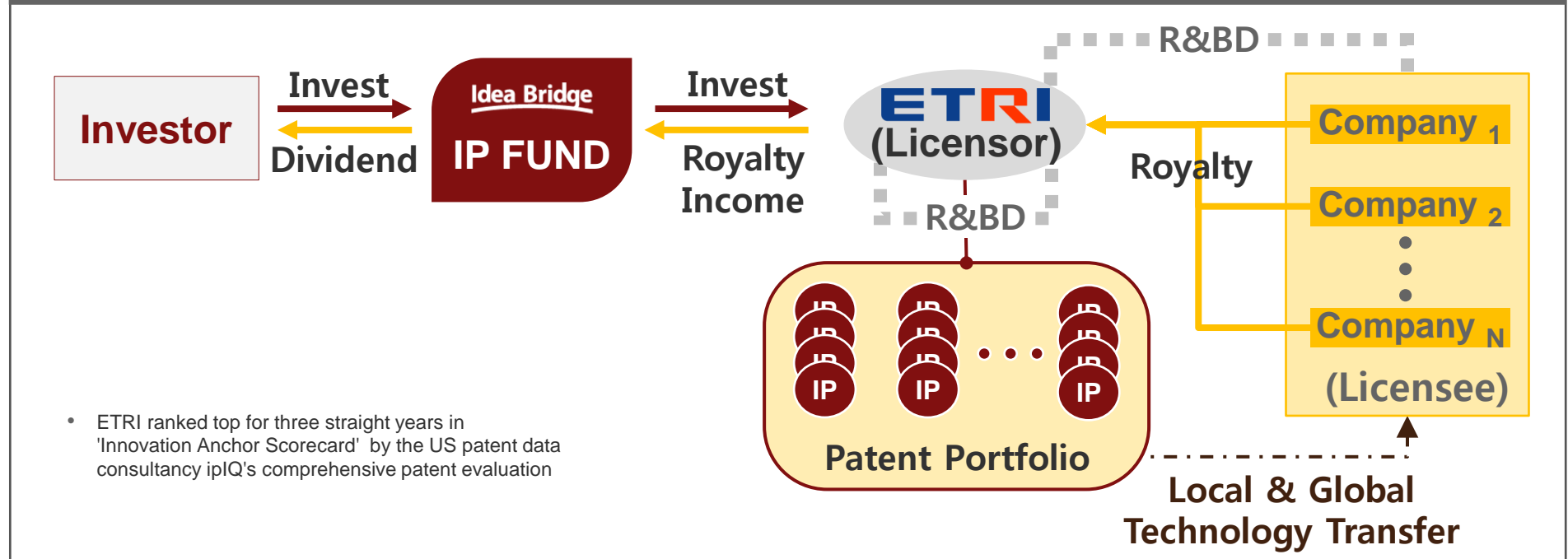
Note: * IP includes patents, trade marks, and copyrights etc.

Source: Idea Bridge

IP Monetization Model : Korean Case B

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

IP Monetization Scheme Example : Patent Royalty Securitization



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

Understanding of IP financing in Korean Financial Field

- I know Intellectual property(IP) financing and IP secured loan.



- I believe that IP based financial methods are needed considering the growing portion of intangible assets in the corporate value.



- IP Financing is desired to be based on IP valuation results



- I am very familiar with IP valuation.



- I can trust IP valuation results.



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Strongly agree ■ Agree ■ Average ■ Disagree ■ Strongly disagree

Source: A study of IP valuation model for IP secured lending (KIPO, October 2013)

Note: Survey results of 146 people in Korean financial field

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

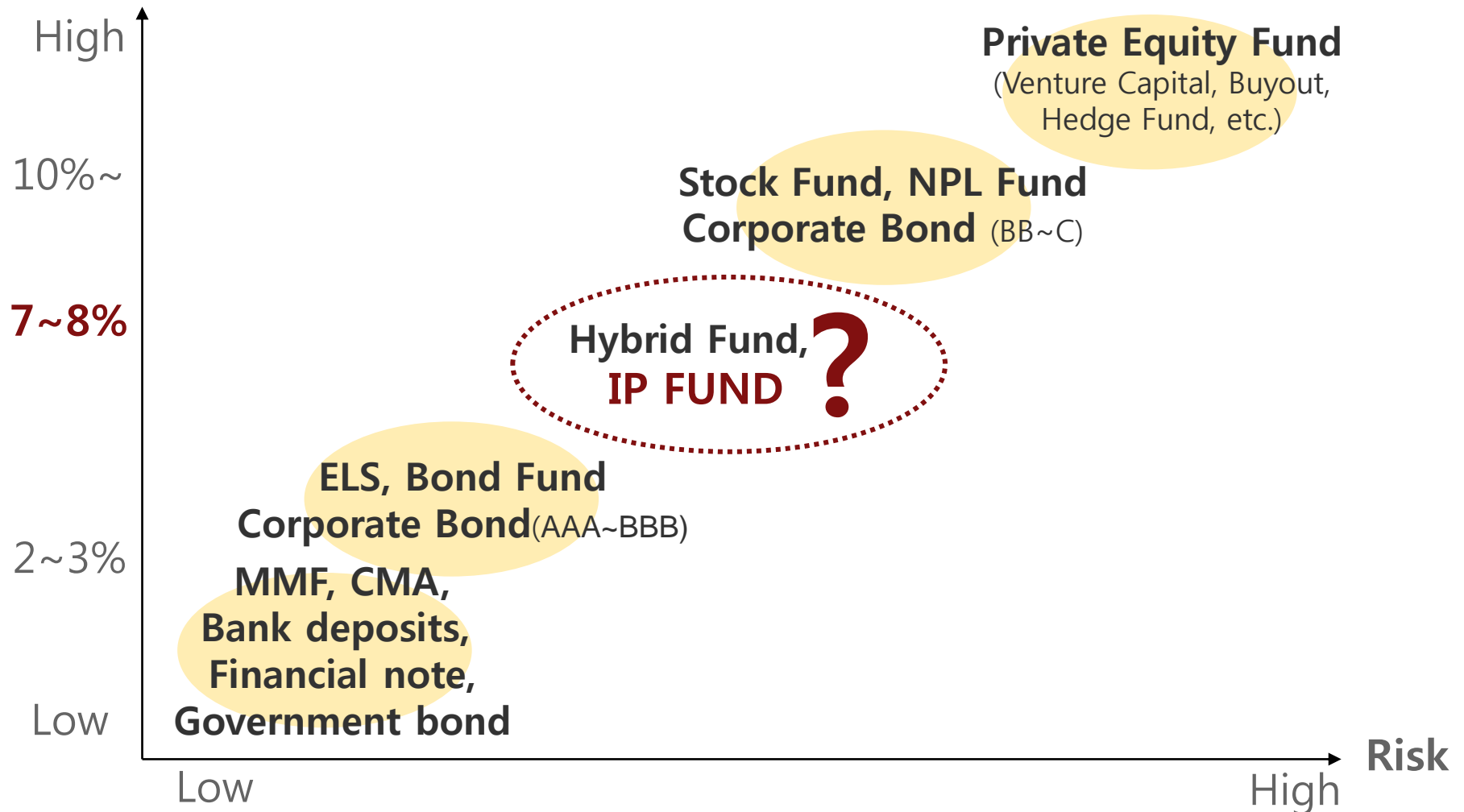
Risk hedging methods

- 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)

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

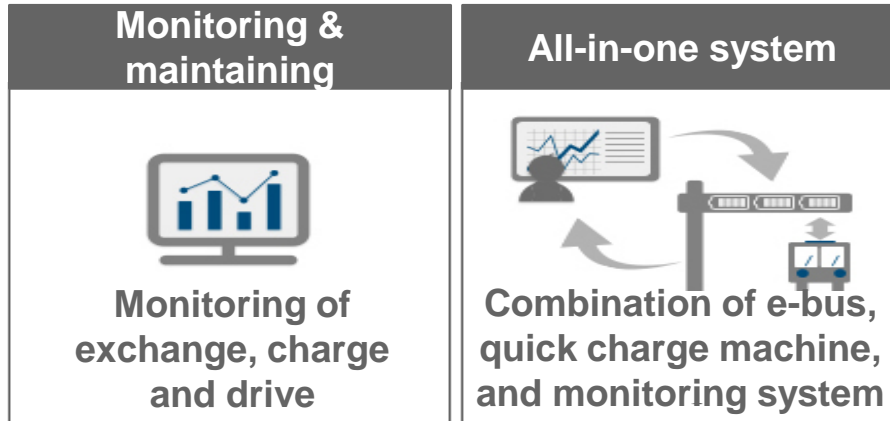
Automatic Battery Swapping-type Electric Bus

IP Sale & License-back + Mezzanine Investment

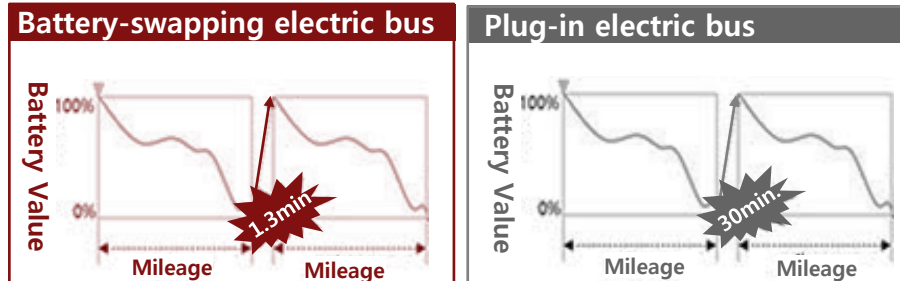
❖ Investee Outline

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

❖ Core Technology



❖ 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

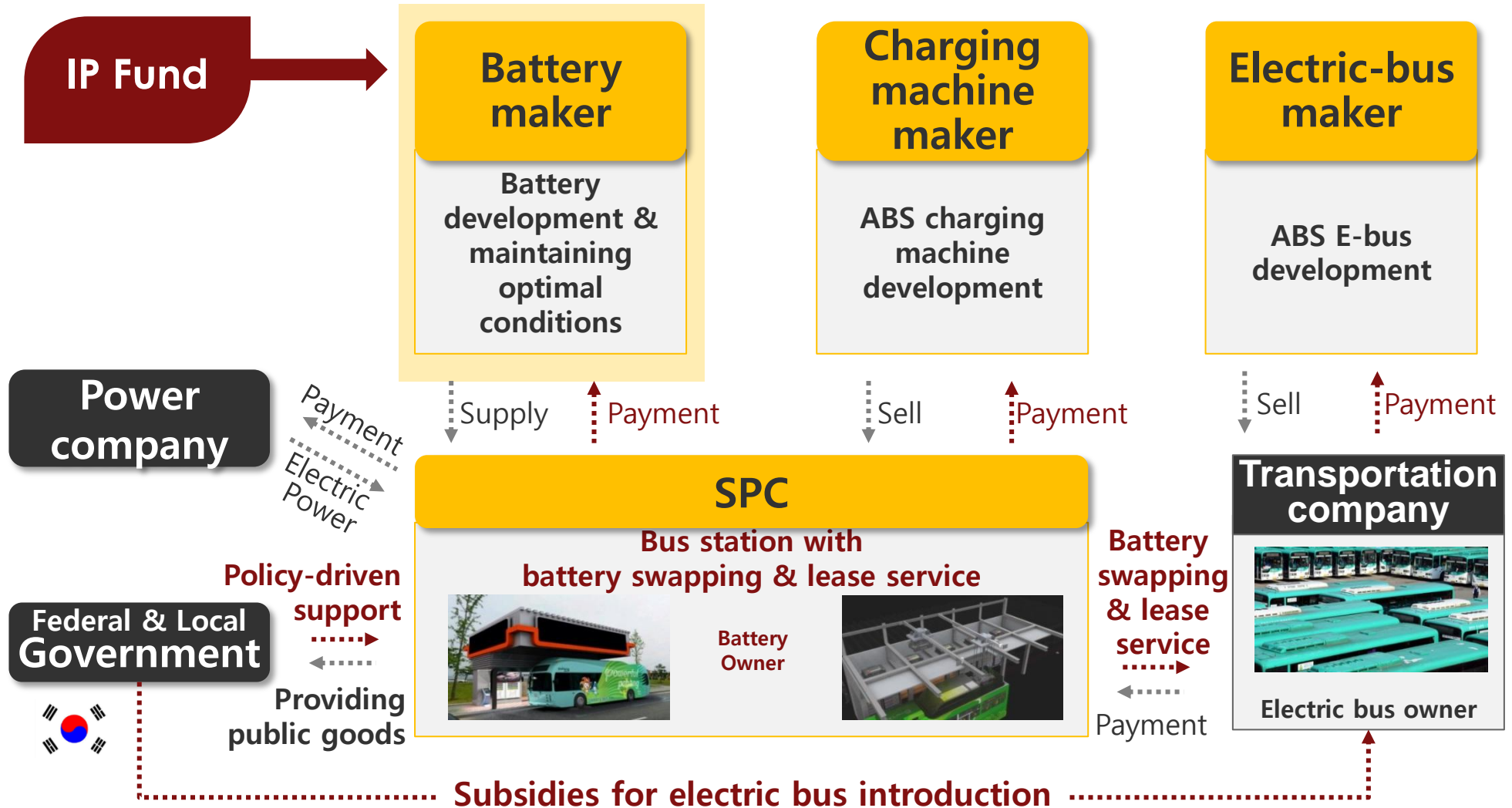
A project of battery swapping-type electric bus system by Pohang city in Korea

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

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

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



Success Factors for 'Climatech' 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

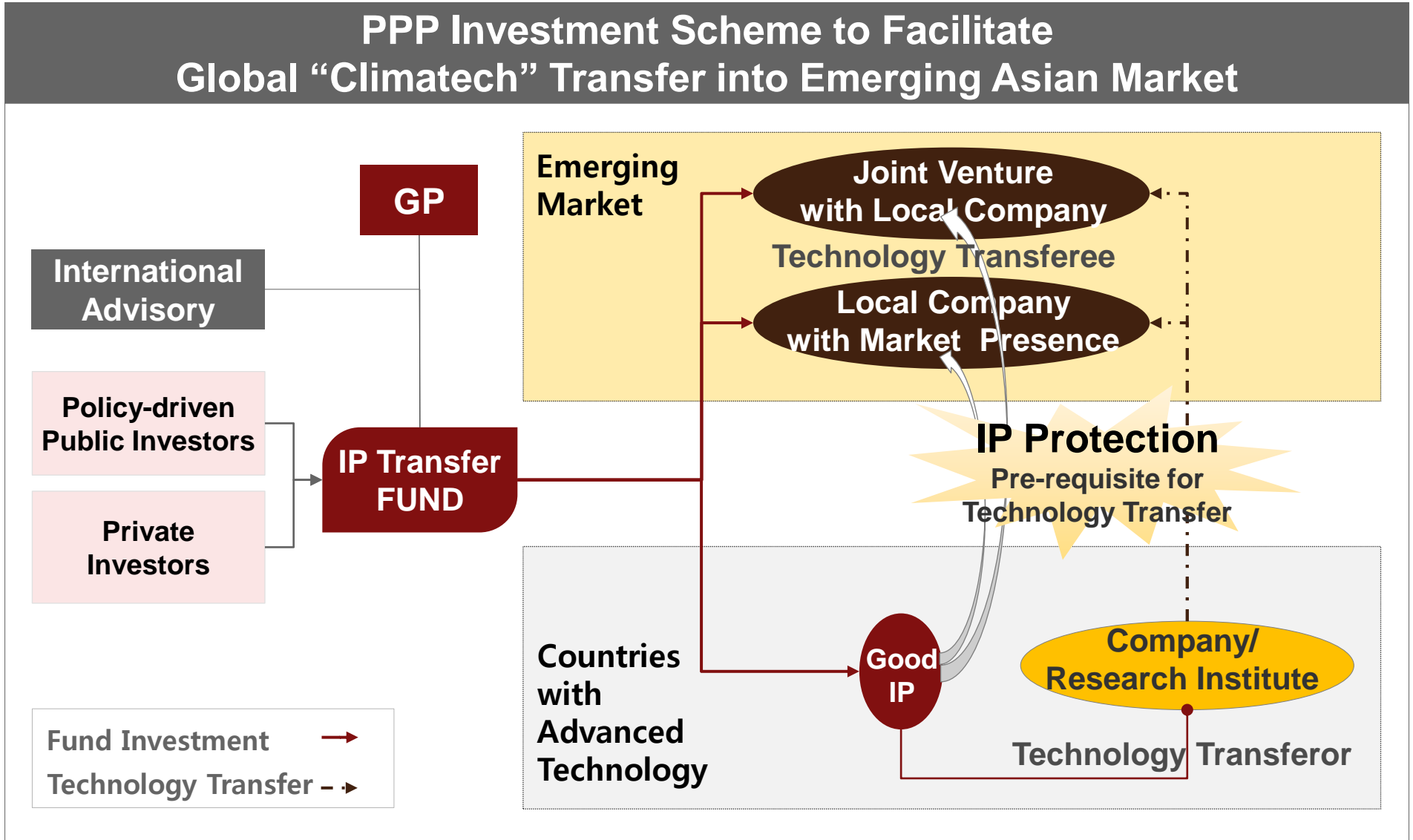
D

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 'Climatech' Transfer



Source : Idea Bridge

Closing Remarks

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