

NOW YOU KNOW WHO TO ASK ABOUT IP AND TECHNOLOGY VALUATIONS

- ◆ An opinion you can trust
- ◆ Member of ATO Panel for financial valuations
- ◆ Principals with significant IP experience involved throughout the process
- ◆ Prepare and deliver workshops and technical presentation on IP and technology valuations

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The Leadenhall difference

The valuation of Intellectual Property ('IP'), "know-how" and technology is a particularly complex area which provides many challenges and requires considerable technical and commercial expertise.

Leadenhall will provide an opinion you can trust

Beyond being careful, unbiased and knowing what we are doing, we have extensive experience in analysing and valuing IP and technology assets and preparing defensible valuations.

We have extensive expertise valuing a wide range of IP for commercial negotiations as well as for tax financial reporting and other purposes.

Leadenhall takes the time to explain the analysis and conclusions

The valuation of IP and technology is a very subjective exercise, therefore small changes in assumptions can have dramatic impacts on valuation conclusions.

A differentiating feature of Leadenhall is that we will spend the time to explain the key areas of judgement that impact the conclusion, the impact of making alternative assumptions and how the variables interact.

You will find the complex made simple and delivered in clear, easy to understand language.

Leadenhall has deep expertise

As a senior valuation principal leads each assignment you will receive considered analysis and an in-depth explanation of the critical issues. Our approach is designed to ensure you understand the analysis and there are no surprises during the process.

Leadenhall has over 30 years' valuation experience including significant expertise in valuing IP and similar assets as detailed overleaf.

We can also draw upon the expertise of the 800+ valuation professionals of our international affiliates for IP located overseas and to leverage global best practice.

When are IP valuations required?

The valuation of IP and technology may be required for the following reasons:

- ◆ Investment and capital allocation decisions
- ◆ Sale or purchase of IP or a business where the IP is a core component
- ◆ Negotiations for licencing of IP
- ◆ Related party / non-arm's length transactions involving IP
- ◆ Purchase price allocations and impairment testing in accordance with the accounting standards
- ◆ Tax purposes e.g. to establish the cost base of assets or for transfer pricing purposes
- ◆ Quantifying damages for IP infringement

Key issues to consider when valuing IP?

There are a number of key areas where IP and technology valuations differ from other valuations which require special consideration and expertise. For example:

- ◆ Historical costs are often a poor proxy for the value of IP which has commercial merits and would often materially underestimate the value
- ◆ How well is the IP protected and competing products and technologies
- ◆ Probability of successful commercialisation and associated costs
- ◆ Understanding the competitive dynamics of the market including overall market size and trajectory of potential market share. This is particularly complex for products which are in the early stages of market adoption

Going through a rigorous valuation process, including analysing potential scenarios and quantification of the key assumptions is critical for a thorough understanding of the value drivers and levers to assist in understanding the risks and potential returns.

NOW YOU KNOW OUR EXPERIENCE

INTELLECTUAL PROPERTY

- ◆ **Bellara Medical Products Limited**
Quantification of funding needs of Glyzinc Pharmaceuticals Limited (an unlisted public company) and arrangement of a merger with Bellara Medical Products Limited.
- ◆ **CSIRO**
Valuation of a livestock nutrition product for beef cattle.
- ◆ **Flinders University spin-off company**
Adviser to a spin-off company specialising in the biological remediation of contaminated soil.
- ◆ **IP Australia**
Valuation of the IP Register/database for IP Australia
- ◆ **Kai Medical**
Valuation of sleep apnoea medical device company in the late stage of clinical trials for a potential transaction.
- ◆ **Mayne Pharma Ltd**
Valuation of a number of pain relief and other drugs acquired.
- ◆ **Monash IVF and Repromed**
Valuation of the brand names, the databases and the operating procedures.
- ◆ **Multitrode Pty Limited**
Valuation brands, Know-how and other intellectual property of a [water engineering] company for tax purposes.]
- ◆ **New Technologies Pty Limited**
Valuation of wetting agent technology utilised in lawn products to assist in commercial negotiations.
- ◆ **R&D Syndicate**
Valuation of core technology in relation to xenotransplantation, cancer and arthritis drugs.

TRADEMARKS & BRAND NAMES

- ◆ **Angove's**
Advice to Angove's on the valuation, royalty rate and financial impact of Stone's Green Ginger Wine on the group's results.
- ◆ **Australian Taxation Office**
Valuation of major wine brands on behalf of the Australian Taxation Office as part of a group's restructure for taxation purposes.
- ◆ **Crown Mints**
Valued the "Crown Mint" brand name as part of a dispute between a liquidator and a director related entity as to its value on transfer.
- ◆ **Healthcare Australia Ltd**
Valuation of the core brand Pacific Nursing Solutions and the database of nurses.
- ◆ **Wendys Ice-Cream –**
Valuation of the brand names, the Valuation of the brand name on the acquisition of the business.

LICENCES

- ◆ **Fishing Licences**
Reviewed and then prepared an independent valuation of a minority interest in a company that owned a significant number of fishing licences as part of a major tax case.
- ◆ **Dairy R&D Corporation**
Advice on the value of Intellectual Property held by the Dairy Research and Development Corporation and Melbourne University in connection with a proposed sale by the licensee, Bonlac.

SOFTWARE & IT

- ◆ **ATO finance system**
Valuation of the ATO's internal software for financial reporting purposes.
- ◆ **ATO (Confidential)**
On behalf of ATO valued the internally generated software and customer related database for one of the big four banks.
- ◆ **Cuscal**
Software valuation in respect of acquisition of Strategic Payments Systems.
- ◆ **Coin**
Valuation for Macquarie Group of this financial planning software business.
- ◆ **Department of Education**
Valuation of internally generated software for financial reporting purposes.
- ◆ **Healthcare Australia Ltd**
Valuation of the core brand Pacific Nursing Solutions and the database of nurses.
- ◆ **Integral Energy**
Valuation of a Risk Simulation Engine (RSE) software built for Integral Energy to produce risk metrics for pricing complex OTC energy derivatives.
- ◆ **Monash IVF and Repromed**
Valuation of the brand names, the databases and the operating procedures.
- ◆ **My Net Phone Limited**
Software valuation in respect of acquisition of iBoss.
- ◆ **Paymate**
PPA of this online payment processing system.

OTHER

- ◆ **Grain Foods CRC**
Advised on benefits and risks of alternative commercialisation strategies and modelled expected cash flows and valuations.
- ◆ **Grains Research and Development Corporation**
Valuation of the transgenic commercial applications of the fusarium fungus in cereal crops.

Includes reports prepared by team members with former employers