

IP3 ANALYTICS

October 26, 2016



IP3 Overview

- Industry Patent Purchase Program - IP3 - presented a quick and easy way for patent owners to find willing buyers for their patent assets at a price they set
- Submission period: May 25th to June 10th, 2016
- Modeled after Google's successful 2015 Patent Purchase Promotion (PPP)
- 21 participating companies including Google, Facebook, IBM, Microsoft, Adobe, SAP, Ford, Honda, Cisco, Verizon and Arris Group
- Simplified sellers' access to the secondary market
- Patents purchased cover technologies within software, auto, healthcare and financial services sectors
- Strong interest from brokers, companies and individuals

Topline Results

- **Nearly 1,400 patent families submitted by over 430 owners**
 - › Median price – \$100k
 - › 52% from brokers
 - › Other 48% from companies and individual patent owners
- **90% of sellers had previously participated in the secondary market**
- **56 Purchased Deals comprising 107 active patent filings:**
 - › 86 US Patents
 - › 17 US Applications
 - › 2 Great Britain, 1 Germany and 1 French Patents
- **Purchase prices ranged from \$10,000 to \$325,000**

Submissions by Category

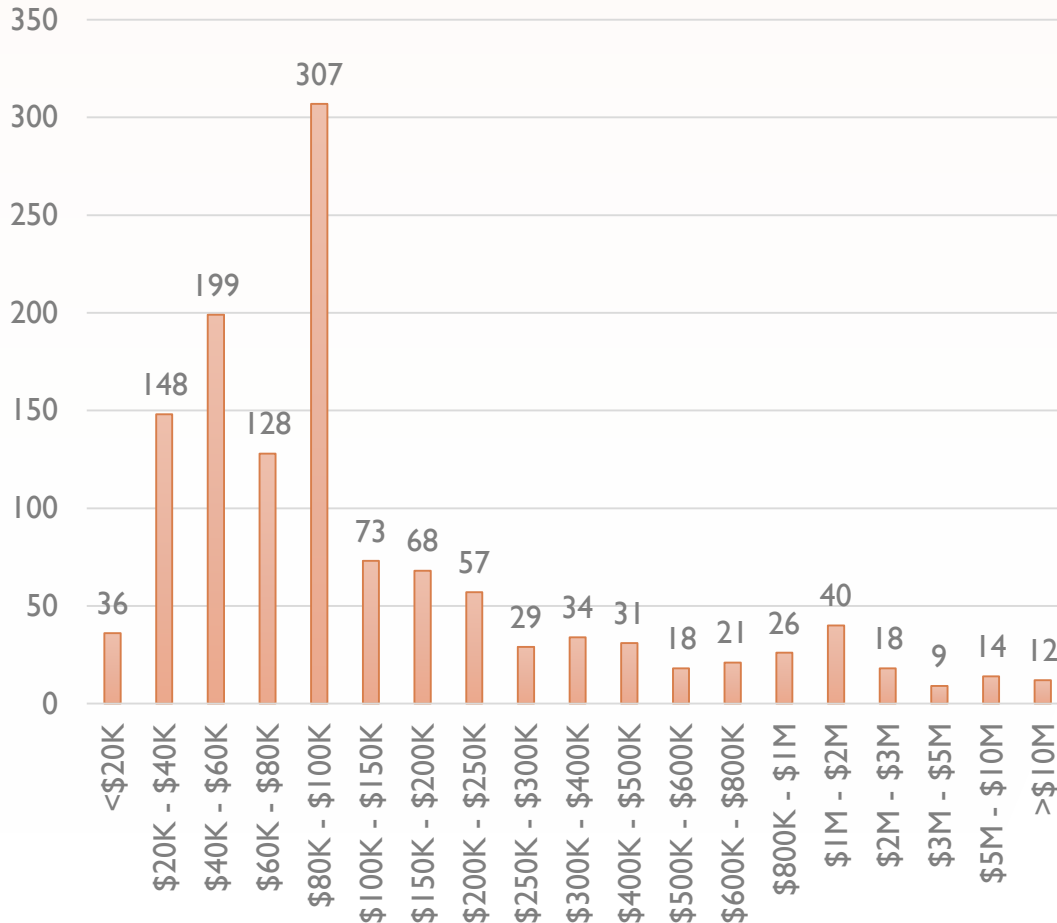
- Each Deal was assigned one or more of the 7 categories

Category	Valid Deals	Purchased Deals	Purchased as % of Reviewed
Computers and Software	596	43	8%
Semiconductor/ Components/ Lighting	392	5	1%
Communication	343	31	11%
Consumer Electronics	331	23	8%
Automotive	101	13	16%
Healthcare/Medical	58	1	2%
Financial Services	52	2	5%
Total Valid Submissions	1,268	56	5%

Seller's Price Expectations

Varied from \$700 to \$6B

Seller's Price Expectations



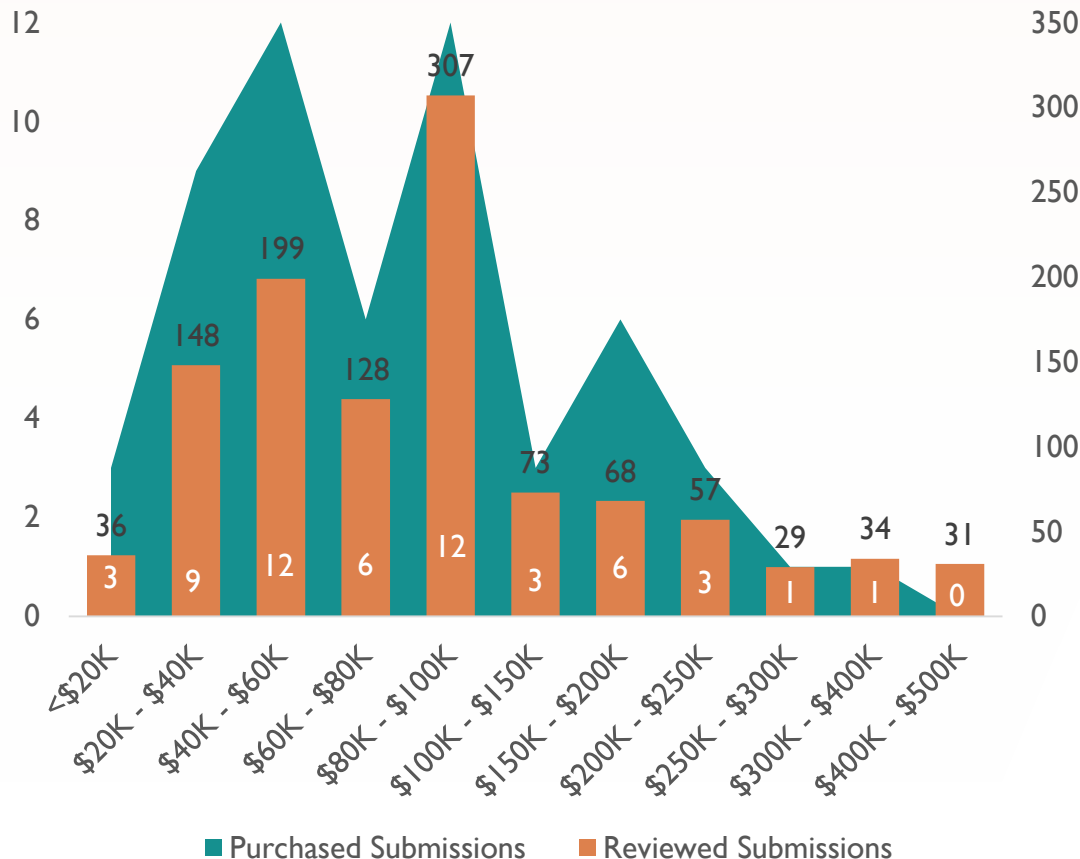
- **\$123K average price for Brokers Deals (<\$1M) vs. \$184K when Seller is selling directly**

Top 5 Value	Deals
\$100,000	292
\$50,000	181
\$25,000	127
\$75,000	92
\$150,000	55

Purchased vs. Reviewed

Average Purchase Price for IP3 = \$96,000

Seller's Price Expectations:
Purchased vs. Reviewed



- Price distribution for purchased assets is very similar to all Reviewed Deals
- Median purchase price is \$75,000
- 64% of purchased deals are offered directly by Sellers while only 36% from Brokers
 - > 85% of AST deals are from Brokers

Price Expectation by Technology Category

Category	<\$1M Deals		
	Deals	Average Price	Median Price
Automotive	90	\$196,826	\$100,000
Communication	312	\$188,407	\$100,000
Computers and Software	545	\$170,176	\$100,000
Consumer Electronics	308	\$155,145	\$100,000
Financial Services	46	\$218,772	\$125,000
Healthcare/Medical	50	\$168,752	\$87,500
Semiconductor/ Components/ Lighting	385	\$97,435	\$80,000
Total Reviewed Deals	1,175	\$152,593	\$100,000

- **Software and Services assets are generally higher priced compared to Hardware assets**
- **Communication has comparatively higher number of \$500K+ Deals**
- **Financial and Automotive assets are higher priced**

Purchase Price by Technology Category

Category	IP3 Purchased Deals		
	Deals	Average Price	Median Price
Automotive	13	\$130,000	\$100,000
Communication	31	\$110,967	\$100,000
Computers and Software	43	\$94,825	\$75,000
Consumer Electronics	23	\$96,848	\$75,000
Financial Services	2	\$158,745	\$158,745
Healthcare/Medical	1	\$175,000	\$175,000
Semiconductor/ Components/ Lighting	5	\$130,000	\$100,000
Total Deals	56	\$96,071	\$75,000

- **Financial Services has the highest average purchase price - \$158,745**
- **Computer & Software has the lowest average and median purchase price**
- **Computers & Software has the most purchased Deals - 43 or 77% of total**

THANK YOU

