

High Growth Companies Update

The IP Story – why it is important and can generate value

9 October 2020



**MAKING AN
IMPACT THAT
MATTERS**
since 1845

Welcome

Today's agenda

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Introducing our presenters and panelists



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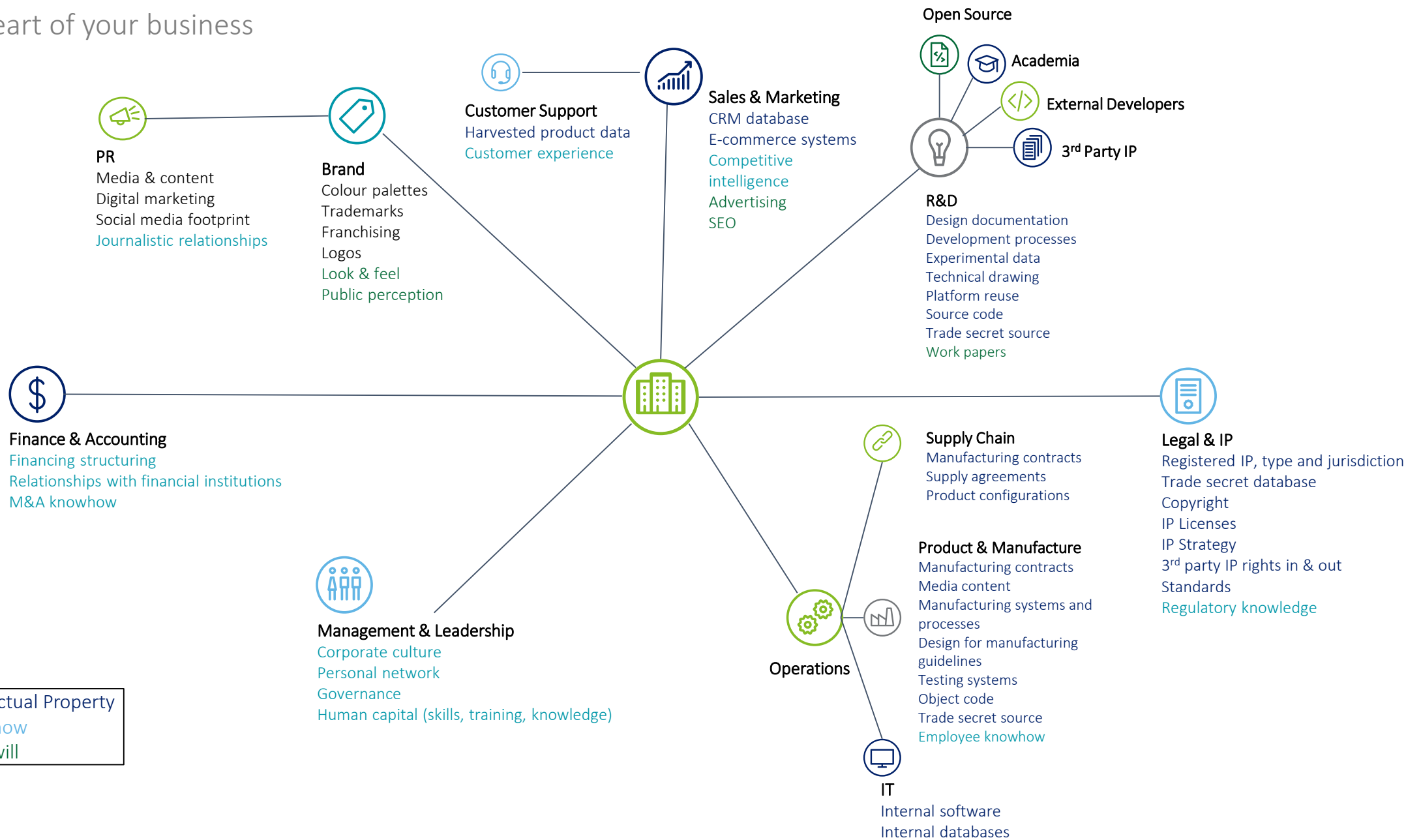
Why it is important to build an IP story

Jon Calvert

Intangibles

At the heart of your business

Intellectual Property
Knowhow
Goodwill



Your IP Story

Intellectual Asset Database & Dashboard

“We have protected our USP for the long term”

“We have a clear view of our IP risks and plan to manage them ”

“Our IP position is streaks ahead of our competitors”



“Our most valuable intangible is our data, let me tell you how we exploit it!”

“Our mission critical algorithm cannot be copied”

How getting your IP story right can lead to cash tax savings

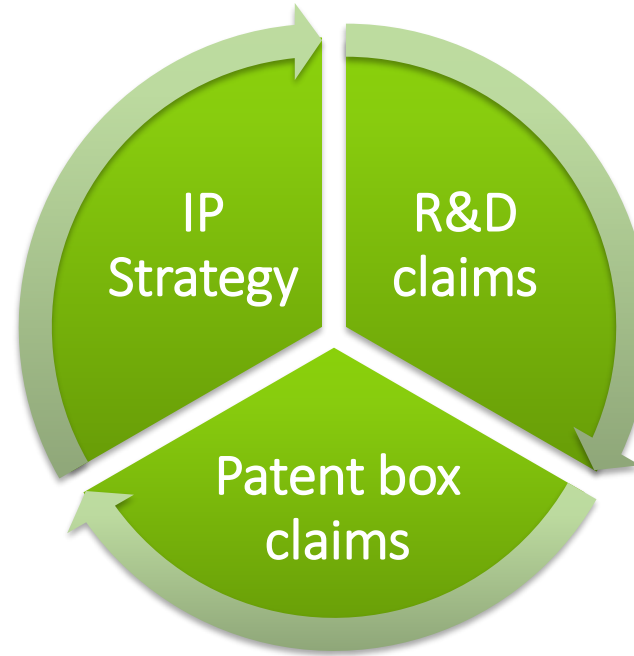
Reena Malde and Shaun Webb

Innovation Incentives and IP Advisory

Benefits of combined approach and hot topics

Benefits of combined approach

- ❑ Holistic real time input
- ❑ Greater understanding of the business
- ❑ Saves managements time



R&D Claims

- ❑ **SME regime:** 24.7% tax saving if profit-making or 33% cash credit if loss-making
- ❑ **RDEC regime** (large companies): 13% above the line taxable credit
- ❑ *Key areas to watch for:*
 - SME vs Large
 - Grant funding
 - Robust and supportable
 - Fully understanding the R&D definition
- ❑ *Current consultations:*
 - 3 x PAYE/NI cap for SMEs
 - Data and cloud computing costs

Key patent box takeaways

- ❑ 10% effective tax rate
- ❑ Registering UK/EU Patent
- ❑ You don't need to be profitable
- ❑ Tracking R&D expenditure

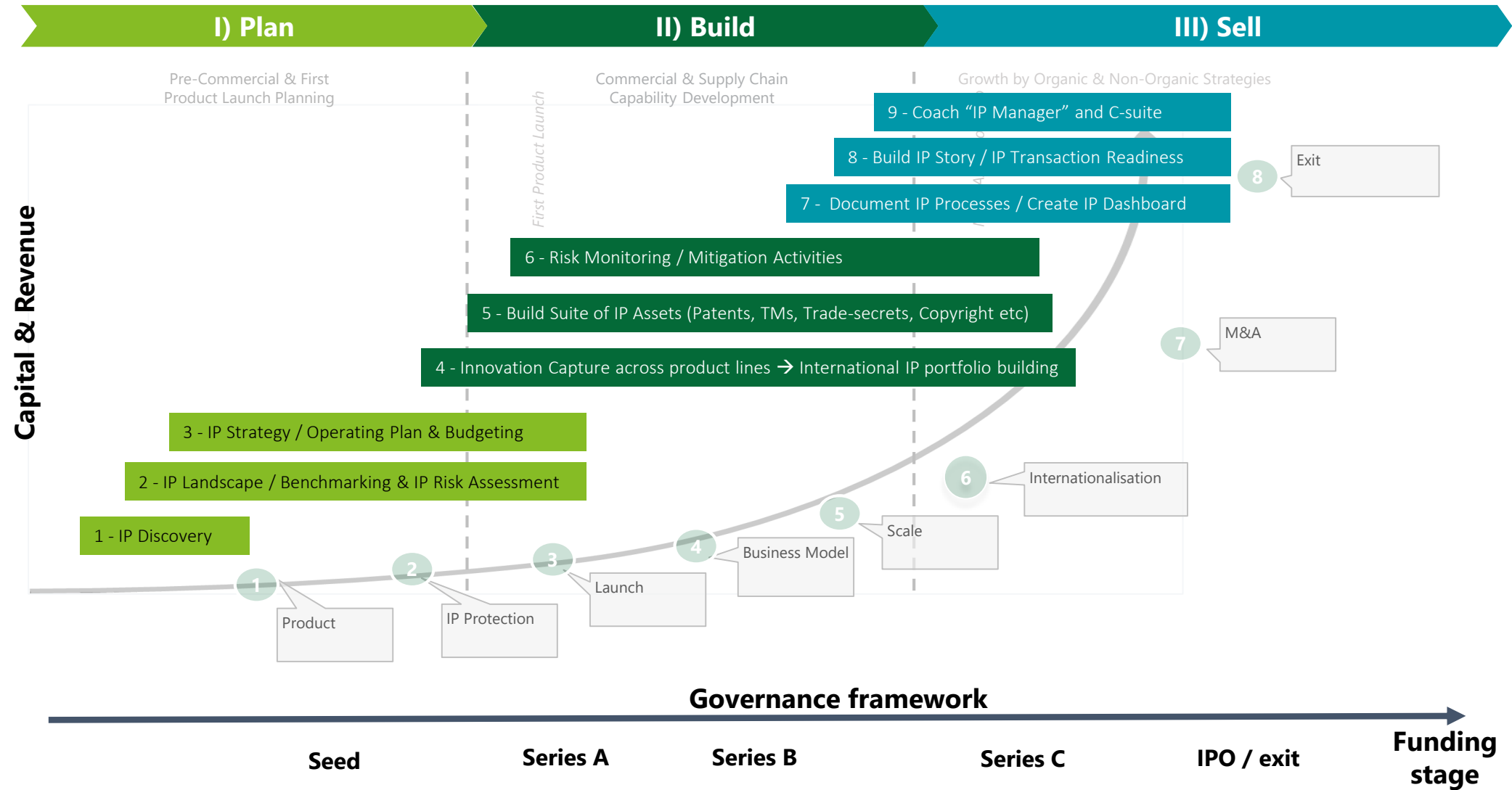
Intangibles – Tax areas for consideration



Case Study

Jon Calvert & Rui Liao

IP Advisory Services Along Lifecycle



Why Early IP Portfolio Investment Matters

Avoid leaking value



SwiftKey strategic IP capture and portfolio positioning leads to deal worth \$250m with Microsoft

Client



Challenge



- SwiftKey, the makers of a predictive keyboard powered by artificial intelligence that adapts to the way you type, and gets smarter over time learning from your personal writing style so you spend less time correcting typos, wanted to position their technology to be attractive to potential buyers
- Needed to plan for an exit strategy

Solution



- Implemented strategic IP capture process to capture and triage innovation output
- Developed an IP landscape providing insights on competitor patenting behaviours and quantifying IP risks
- Ran patent validity searches and non infringement analysis to defend against incoming litigation
- IP cost modelling to provide projection of future IP portfolio costs for budgeting
- Created IP dashboard with custom, dynamic visual overview of IP portfolio
- IP due diligence with the preparation of IP prospectus and collateral for smooth diligence and acquisition process

Business Outcome



- SwiftKey was acquired by Microsoft in a deal worth \$250m
- The purchasing price made this deal one of the biggest exits for a UK-based tech company at the time
- The strength of their IP portfolio and **IP Story** supported a high value, certain exit

Gareth Jones
VP of Intellectual Property

Benevolent^{AI}



Questions

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