OFFICE FREYLINGER

Patent Valuation
InnoMed

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Version: 2022 2, **Updated August 2025 – Limited Update (Scope: Development/Patent Fees & IP List)**
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Important Notices and Scope of Update

This updated patent valuation report has been prepared by OFFICE FREYLINGER at the request of the client. The original report was issued on 8 June 2022. The scope of this update, completed as of 27.08.2022, is strictly limited to: (i) updating the development and patent-related fee data as provided by client, and (ii) updating the list of intellectual property rights.

No other changes nor updates have been made to the valuation methodology, assumptions, financial projections, or external market factors described in the original report. This document should therefore be read in conjunction with the original report, and should not be construed as a full revaluation.

This report is based on legal, technical, and strategic considerations, as well as cost-related information provided by the client. We do not provide accounting, tax, or investment advice. This report should not be regarded as an opinion of fair market value under any accounting or financial reporting standard, nor as an investment recommendation. Any financial data or assumptions included have not been independently audited.

1. Patent valuation

Intellectual property assets such as patents are the core of many organizations and transactions related to technology. As in other business transactions, organizations negotiating agreements to sell or license intellectual property and patent rights commonly have to agree on a price. Knowing the value of the intellectual property rights is essential to reach such an agreement, but also to make sure the parties are engaging in a good deal.

In assessing whether an asset has a financial value, a primary inquiry is whether the asset positively impacts other products or services with which the asset is associated. If the answer is "yes," then a second inquiry is whether the asset has value to an outside party. If the answer is "yes," then clearly the asset has a value. In such cases, the next inquiry is whether an outside party would pay to license or buy the asset. If the answer was "yes" to the first two questions, then "yes" will generally be the answer to the third inquiry as well.

Once it is determined that an asset has a financial value, a method must be chosen to quantify the value.

Different approaches of patent valuation are used by companies and organizations. Generally, these approaches are divided in two categories:

- the quantitative approach relies on numerical and measurable data with the purpose to calculate the economic value of the intellectual property,
- the qualitative approach is focused on the analysis of the characteristics and potential uses of the intellectual property, such as the legal, technological, marketing or strategic aspects of the patented technologies. Qualitative valuation deals also with assessing the risks and opportunities associated to the intellectual property of the company.

a. Quantitative approach

Several methodologies can be used to determine a quantitative value for a patent, but generally they can be grouped in three methods: Cost-based methods, Market-based methods and Income-based methods are the leading approaches for patent valuation.

- the **cost-based method** is based on the principle that there is a direct relation between the costs expended in the development of the intellectual property and its economic value.
    - A cost-based method assesses the amount of money that would be required to replace the future service capability of the subject property (also referred to as "cost of replacement"). The "brand new" value is calculated and then deprecated by an analysis of physical, functional and economic obsolescence.
    - Two different techniques are mainly used to measure costs. While the reproduction cost method estimates the value by gathering all costs associated with the purchase or development of a replica of the patent under valuation, the replacement cost method is based on the costs that would be spent to obtain an equivalent patent asset with similar use or function.
        - The replacement costs method involves quantifying the extent of economic obsolescence, using information about the amount of future economic benefit that is associated with the property, information about the trend of the economic benefits, the duration over which the economic benefits will be enjoyed and the risks associated with receiving the expected economic benefits.
- The **market-based valuation method** is based on economic principles, and relies on the estimation of value based on similar market transactions (e.g. similar license or transfer agreements) of comparable patent rights. These principles are competition in the marketplace and the point of equilibrium of an investment as determined by supply and demand. The market approach method is premised on the idea that transactions for similar assets in the market will have similar prices. Under this method, the consideration that is paid (license fees, royalties, equity, cross-licenses, etc.) in an arm's length transaction equals the value of the property. This method is useful because it relies on market forces as its basis, which is the best indicator of value. The transactions relied upon may be either a sale of the asset or license transactions.
    - Given that often the asset under valuation is unique, the comparison is performed in terms of utility, technological specificity and property, having also in consideration the perception of the asset by the market.
    - In applying the market approach, there are several steps that should be followed. The starting point is to analyse the appropriate market to gather data on similar sales and licensing transactions. This can be difficult because it is often hard to find comparable substitutes and there is little data disclosed in these transactions. After gathering the data the information should be analysed to confirm that the transactions accurately reflect an arm's length negotiation. Then, the data of each transaction should be compared with the subject property and restrictions on its use, noting specifically the similarities and differences for each. Next, the various value characteristics should be compiled to determine al single value or range of values. A discount rate should be established to account for the risk involved in buying or licensing the property.

- The **income-based method** is based on the principle that the value of an asset is intrinsic to the expected income flows it generates. This approach is based on the economic principle of anticipation. Under this approach the investor tries to determine the amount of income that will be derived from the property in the future. This determined amount of income is then converted to a present worth his approach is theoretically most correct. It accounts for the economic life of the property, the economic benefits conveyed, and the risk related to deriving income in the future. Overall, the three most important factors under the income method are the future benefits derived from the property, its remaining economic life, and a discount rate that reflects the amount of risk involved in deriving the future income. Because there are numerous measures of economic income, including gross income or revenue, operating Income, and net cash flow, there are also numerous income approach methods. A basic approach under this method includes identifying and quantifying the future benefits to be derived from the asset. Then, an analysis of the potential cost savings, pricing opportunities, and increased sales should be developed.
    - After the income is estimated, the result is discounted by an appropriate discount factor with the objective to adjust it to the present circumstances and therefore to determine the net present value of the intellectual property.

b. Qualitative approach

The qualitative approach does not rely on purely financial analytical data, but is also performed through the analysis of different indicators with the purpose of rating the patent right, i.e. of determining its importance quality in terms of aspects that can impact the value of an intellectual property asset, covering mainly legal aspects, the technology level of the innovation (e.g. comparison of the patented technology innovation to the actual state of the art) and market details (e.g. the level of its life cycle that the patent has reached, geographic coverage of the reference market).

In addition, after a pure financial value has been determined, the appraisal will include an assessment of the legal protection afforded to the patent (application), identifying:

- the legal rights obtained through the valuated patent(s);
- the legal owner of those legal rights;
- the legal parameters influencing negatively or positively the value of the patent, including scope of the claims / scope of protected, risk of cancellation, priority, and the ability and/or willingness of the owner to enforce legal rights.

2. Identification of the Intellectual Property assets to be valued

The Innomed Tech Ltd. (Canada) is developing, patenting and clinically testing a new technology in the area of urology. Its first medical device development subsidiary, PureFlowCath, LLC, is delivering the first medical device, the PureFlowCath Catheter System for Continuous Irrigation (“CSCI”). CSCI addresses a significant market opportunity in reducing or eliminating urinary tract infections.

This company applied for a patent on technology called Puro-FlowCath. This technology mimics the body's natural ability to flush and prevent bacterial growth within the urethra during the time that a urinary catheter has been placed in a patient.

The various patent titles belonging to this project have been assigned to CIC Fund Securitisation S.A.. Recording of the transfer is currently ongoing, even if almost finalised.

The company is currently preparing its first prototype design and construction with a specialized company, Paragon Medical. According to external information, the products covered by the patent applications will not be required to go through full clinical trials, as it is an approved device modified. All said elements shall accelerate the time to market for the products covered by the patent applications being assessed in the present analysis, but the products are not commercialised yet.

CIC Fund Securitisation is interested in obtaining an updated valuation for the patent rights concerning the following inventions:

Note: The following tables were updated as of August 2025. No other aspects of the original valuation have been revised.

- **CATHETER SYSTEM FOR CONTINUOUS IRRIGATION**

Our reference Client's reference Status	Country	Application	Grant / Registration	Annuity / Renewal	Proprietor
P-INNOME-001/WOAU **RR2606** **GRANTED**	Australia	06.04.2017 2017397418	26.08.2021 2017397418	06.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOCA **RR2606** **GRANTED**	Canada	06.04.2017 3 052 434	15.08.2023 3052434	06.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOCN **RR2606** **APPL. PENDING**	China	06.04.2017 201780089343.1			CIC Fund Securitisation S.A.
P-INNOME-001/WOEPCH **RR2606** **GRANTED**	Switzerland	06.04.2017 17 718 690.5	25.09.2024 3 576 826	30.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOEPGB **RR2606** **GRANTED**	United Kingdom	06.04.2017 17 718 690.5	25.09.2024 3 576 826	30.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOEPUP **RR2606** **GRANTED**	Unitary Patent	06.04.2017 17 718 690.5	25.09.2024 3 576 826	30.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOHK **RR2606** **APPL. PENDING**	Hong Kong	06.04.2017 62020005088			CIC Fund Securitisation S.A.
P-INNOME-001/WOID **RR2606** **APPL. PENDING**	Indonesia	06.04.2017 P00201907684			CIC Fund Securitisation S.A.
P-INNOME-001/WOIL **RR2606** **GRANTED**	Israel	06.04.2017 268317	04.03.2024 268317	06.04.2027 (11th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOIN **RR2606** **GRANTED**	India	06.04.2017 201917031888	15.03.2024 527357	06.04.2026 (10th annuity)	CIC Fund Securitisation S.A.

Our reference Client's reference Status	Country	Application	Grant / Registration	Annuity / Renewal	Proprietor
P-INNOME-001/WOJP **RR2606** **GRANTED**	Japan	06.04.2017 2019-564004	12.07.2022 7104726	12.01.2026 (grace period) (4th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOKR **RR2606** **GRANTED**	Republic of Korea	06.04.2017 2019-7024321	24.10.2023 10-2595041	24.10.2026 (4th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOMA **RR2606** **GRANTED**	Morocco	06.04.2017 46674	29.10.2021 46674	06.04.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOMY **RR2606** **GRANTED**	Malaysia	06.04.2017 PI2019004473	09.04.2024 MY-202163-A	08.04.2026 (3rd annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOPA **RR2606** **GRANTED**	Panama	06.04.2017 92758-01	23.12.2021 92758-1	06.04.2027 (11th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOPH **RR2606** **GRANTED**	Philippines	06.04.2017 1/2019/501805	31.01.2024 1/2019/501805	09.02.2026 (grace period) (8th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOSA **RR2606** **GRANTED**	Saudi Arabia	06.04.2017 519402382	23.10.2023 13940	01.01.2026 (10th annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOTH **RR2606** **APPL. PENDING**	Thailand	06.04.2017 1901004807			CIC Fund Securitisation S.A.
P-INNOME-001/WOUS **RR2606** **APPL. ABANDONED**	United States of America	06.04.2017 16/482,374			CIC Fund Securitisation S.A.
P-INNOME-001/WOVN **RR2606** **GRANTED**	Viet Nam	06.04.2017 1-2019-04861	08.11.2024 41932	08.11.2025 (2nd annuity)	CIC Fund Securitisation S.A.
P-INNOME-001/WOZA **RR2606** **APPL. PENDING**	South Africa	06.04.2017 2019/06801		06.04.2026 (10th annuity)	CIC Fund Securitisation S.A.

- **ABSORBENT DEVICE FOR USE WITH CATHETER**

Our reference Client's reference Status	Country	Application	Grant / Registration	Annuity / Renewal	Proprietor
P-INNOME-005/WOIN GRANTED	India	17.04.2020 202117051277	25.02.2025 561170	17.04.2026 (7th annuity)	CIC Fund Securitisation S.A.

According to our information, the products covered by the various patent families are not commercialised to date, waiting for administrative prior approval. There are therefore no actual revenues generated by products using or incorporating the inventions protected by the patents.

Based on these elements, the various methods to be used can be assessed as follows:

- the **cost-based method** based on **historical costs** is potentially the most effective approach for conducting this valuation, as being a calculation of the costs to be incurred by a competitor to develop a similar, competing product.
- It can however not be considered that a new phase of research and/or development shall result in the same invention, as *per definition* an invention is unique. We therefore do not recommend using the **cost-based method** based on **replacement costs**.
- The **income-based method** cannot be used, as there are no revenues directly generated to date by the patent: there are neither licenses nor products being actively marketed by using the patented innovation to date.
- The **market-based valuation method** implies a benchmark of the royalty rates to be expectedly obtained by licensing the patent, and applying said royalty rate to the expected turnover to be realized by the product(s) integrating the patented innovation. This is the approach that would probably give the most accurate (range of) value(s) for the present situation. A discount on the pure financial value calculated with said approach will have to take into account the legal and market uncertainties linked to this specific project, and therefore integrate elements issued from the qualitative approach.

3. Cost approach - calculation

Nobody will pay more than the costs necessary to build a mark of desirability and utility identical: it is the principle of substitution. The principle of supply and demand, the variations of which modify prices, and lead to a change in the requirements of industrial property, especially in the form of marks, is also concerned. Finally, gains or losses from external factors can be driven by the brand.

There are two main types of costs. On the one hand, the historical or reproduction costs, which aim to evaluate the costs necessary to create an exact replica. On the other hand, the replacement costs, which are intended to evaluate the costs of recreating a function or utility identical to the patent as transferred, but the shape or appearance may be different. In this approach, functionality is the ability of the patented invention to perform the task assigned to it, while utility is the ability for that right to achieve an equivalent amount of satisfaction.

This is an accounting method, intended to provide financial information. But the contribution to the future results of the purchaser of the patent rights is not measured.

According to information we have been provided for, we have been able to obtain the following financial values:

(US Dollars)	Research & development	Patent and Trademark Legal Fees
2018	683 671	12 929
2019	725 230	173 451
2020	132 535	1 522 906
2021	373 085	212 041
2022	302 787	51 157
2023	348 185	90 411
2024	278 025	52 178
2025 (to Aug.)	112 719	28 220
Total	***2 956 237***	***2 143 293***

Note: Figures in this table were updated as of August 2025. No other aspects of the original valuation have been revised.

According to the 2019' financial statement::

- Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.
- Research and development expenses include all direct and indirect operating expenses supporting the products in development.

- The costs incurred in establishing and maintaining patents are expensed as incurred.

It is however impossible to segregate the costs linked to each project and to each patent family.

At this stage and based on the information at hand, the value of the patent rights will therefore be calculated for the whole portfolio, and not for each single patent family.

Said total costs amount to **USD 5,099,530**

However, said value represents the patent portfolio value from a pure accounting point of view.

4. Income-based method

As mentioned here-above, no revenues are currently generated to date by the patent or the patented invention:

- The urinary catheter has not been placed in the market to date
- To date, no license has been granted on one or several of the patent families to be valued

There is therefore no possibility to calculate a valuation for the above-listed patent rights, in absence of revenues, and this method cannot realistically be adopted in the present case.

5. Market-based valuation

This method is actually based on a Discounted Cash Flow- Relief from Royalty Method, and is an income-oriented approach that uses a discounting model in which the value of a patent right is computed based on the present value of its expected future royalty stream. This method requires an explicit projection of the future royalty streams over a reasonably foreseeable period. An appropriate discount rate allows distinct present values to be calculated and summed for all the benefit streams to determine the patent value.

Several elements have therefore to be determined:

- A theoretical royalty rate
- Theoretical revenues
- Additional technical elements

a. Royalty rates benchmarking

Transfer of intangible goods between related parties usually proceeds in three different ways: contribution to capital, sale or license. Probably the most common, yet the most challenging to transfer pricing issue is licensing.

Transfer pricing is the process encouraged by tax authorities of setting appropriate and market-based values and royalty rates for use and acquisition of intangible assets. Most major governments have stated fairly similar regulations for appropriate transfer pricing, consistently referring to market-based methods to establish the royalty rate or transfer price.

When intangible assets are transferred and used within a group of related entities, determining “arm's length” royalty rates for tax purpose requires therefore a search for comparable royalty rates.

OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations also touch upon a question of transfer of intangible goods between related parties recognizing, at the same time, serious difficulties with determining arm's length pricing of such properties.

i. Licensing Royalty Rates Characteristics

A commonly used way of transferring intangibles between related parties is through the use of exclusive or non-exclusive license agreement. When license rights are granted to the licensee (license is being sold), tax laws in most countries require that the owner receives a fair market price of the intangible. Such price is usually established as one-off fee, annual fee or royalty rate. There are, probably, as many ways to structure such payments as there are licensing agreements. Some of the more common forms are:

- A one-off lump sum payment to the licensor.
- A fixed annual fee with no royalty.
- An ongoing royalty based only on a percentage of licensee's sales of the licensed products with no advanced or guaranteed minimum royalty payments.
- An ongoing royalty in a fixed amount based on each licensed product sold with no advanced or guaranteed minimum royalty payments.
- An ongoing royalty based only on a percentage of licensee's sales of the licensed products with either or both an advance against royalties and an annual minimum royalty.
- An ongoing royalty based on the number of 'hits' that occur on a Website featuring the licensed property.
- A combination of the above.

Despite the multiplicity of different possibilities the royalty based on a percentage of licensee's sales is, by far, the most popular charge. The level of such royalty payment, to satisfy the arm's length principal, should broadly mirror the actual conditions and scope of the license. The most important factors determining royalty payments level are:

- Type of industry (innovative or traditional).
- Competition (competitive environment or monopoly).
- Geographical scope of the license.
- The length of time when the licensee may use the property.
- Scope of uses to which the licensee may put the property.
- The exclusivity of the license.
- Amount and type of technical assistance received from the licensor.
- Sub-licensing rights.

Taking into consideration the above-mentioned factors we can easily indicate the relationship between the level of royalty payments. For example, an exclusive license usually carries a royalty rate significantly higher than a non-exclusive one and a license that grants the licensee monopoly or near-monopoly should result in a higher royalty rate.

ii. Defining an Arm's Length Royalty Rate

The most appropriate method for evaluation of arm's length royalty rate of intangibles is the Market Approach. In defining the arm's length royalty rate it is crucial to identify, as precisely as possible, what property is to be licensed. Then the rights granted to the licensee and their relative value should be determined. When the property owner is involved in existing licensing programs with unrelated parties, or the licensee uses similar license granted by third party, the evaluation of a proper royalty rate is evident.

Significant difficulties occur when such comparable does not exist. As the optimal way to define an arm's length royalty rate is to refer to licenses granted or received between unrelated parties, the Market Approach is also required. Thus related companies should consult an appropriate industry survey to review the state of the industry and commonly established royalty rates. Moreover special consideration should be given to the particular products being licensed to insure that the royalty rate will be properly adjusted to the product.

Additional problems with defining an arm's length royalty rates can occur when the property is licensed between related parties. While this may not be an exact science, the Market Approach could govern the royalty rate as well. There are, however, a number of factors that must be taken into consideration. Besides the factors mentioned above that determine the level of royalty rates, related parties should consider such elements as: investment risk, net profits, market size, growth potential, etc.

iii. Factors to be taken into account

Considering the fact that royalty licensing as a result of the transfer of intangibles between related parties is a common occurrence, OECD urges companies and tax authorities to give careful attention to the valuation of intangibles. Companies may have difficulty in demonstrating evidence that they took as much effort as possible to settle royalty rates at an arm's length level. But on the other hand tax authorities should not use hindsight. However both related companies and tax authorities share the same dilemma, however, tax authorities have to consider whether or not agreements between related parties are arm's length.

This transactional approach determines royalties with reference to licenses for comparable IP in comparable markets and circumstances. This approach is widely used for transfer pricing where it is referred to as the Comparable Uncontrolled Price Method (CUP).

The best comparable royalties are from arm’s length licenses for the same IP in the same, or similar, markets [1]. If this is not possible, analysis of specific licenses for comparable IP, or industry norms, can provide guidance.[2]

When analyzing arm’s length royalty rates for comparable IP, it is necessary to take account of the following factors.

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[1] *See Rude v. Wescott*, 180 U.S. 152 (1889) (referring to an established royalty rate based on the prior licensor practices). *See also Tektronix, Inc. v. United States*, 552 F.2d 343 (Ct. Cl. 1977) (preferring an established royalty rate when a pattern of prior licensing practices is evident.); and *T.J. Smith & Nephew Ltd. V. Parke, Davis & Co.*, 9 F.3d 979 (Fed. Cir. 1993) (stating that evidence of an established royalty for a patent in suit is one of the strongest measures of a reasonable royalty); *Trell v. Marlee Elecs. Corp.*,912 F.2d 1443 (Fed. Cir. 1990)(discussing the standards for determining when an established royalty exists).

[2] In the U.S., the Courts have recently emphasized and reiterated that the IP in other license agreements must be “comparable” in order to rely on such agreements in a damages analysis. *See ResQnet.com v. Lansa*, 594 F.3d 860 (Fed. Cir. 2010).

- The similarities and differences between the subject IP and the benchmarked transactions. This covers the nature and application of the IP; its phase of development and commercial success; its strength relative to alternative property, and its expected useful economic life.
- The range of markets covered by the license.
- The comparability of the markets in which the IP was licensed. The earnings potential of a similar asset can vary significantly between jurisdictions due to different economic circumstances and competitive forces.
- The method of calculating the royalty.[3] A headline royalty in a benchmark study might conceal adjustments to the royalty base that differ to the license of the subject IP.
- The impact of the terms and conditions of the comparable licenses. For instance, an exclusive license will typically have a higher royalty than a non-exclusive one, the duration of the license can influence the royalty as can other terms of the agreement which influence the rights and responsibilities of the licensee.
- Special circumstances that may have influenced the benchmarked royalties. For instance, if sales of the product incorporating the IP increase sales of other products, the licensee might agree to a low royalty.
- The extent of publicly available royalty rates varies by industry and category of IP, depending on the prevalence of licensing and need for disclosure. In situations where there are a large number of licensing agreements, an analysis can be made of the range of royalties within the industry.

iv. Royalty rates across industries

A study of 2,279 licenses in fifteen industries [4] suggests that the median royalty in most industries is close to 5%. The grouping around 5% of average royalties in a wide range of industries is interesting, but not very informative. Median and average royalty rates have to be treated with caution as they can mask wide ranges within an industry.

As such, it must be taken into consideration that the minimum and maximum royalty rates may vary within on industry branch from 0,5 % to 25% (for Machine/ Tools) or even from 0,0% to 70 % (for Software), as it can be seen from the below comparative overview:

Royalty Rates separated by Industry

Licensed Royalty Rates (Late 1980's - 2000)

Industry	No. of Licenses	Minimum Royalty Rate	Maximum Royalty Rate	Median Royalty Rate
Automotive	35	1,0%	15,0%	4,0%
Chemicals	72	0,5%	25,0%	3,6%

[3] U.S. Courts recently have criticized analyses that are "little more than a recitation of royalty numbers" requiring instead evidence as to how lump sum payments in other, comparable license agreements for example, were calculated. *See WordTech v. Integrated Network*, 609 F.3d 1308 (Fed. Cir. 2010).

[4] Carried out by Analysis Group, using data from RoyaltySource®, as quoted by Russell Parr, 'Royalty Rates for Licensing IP'

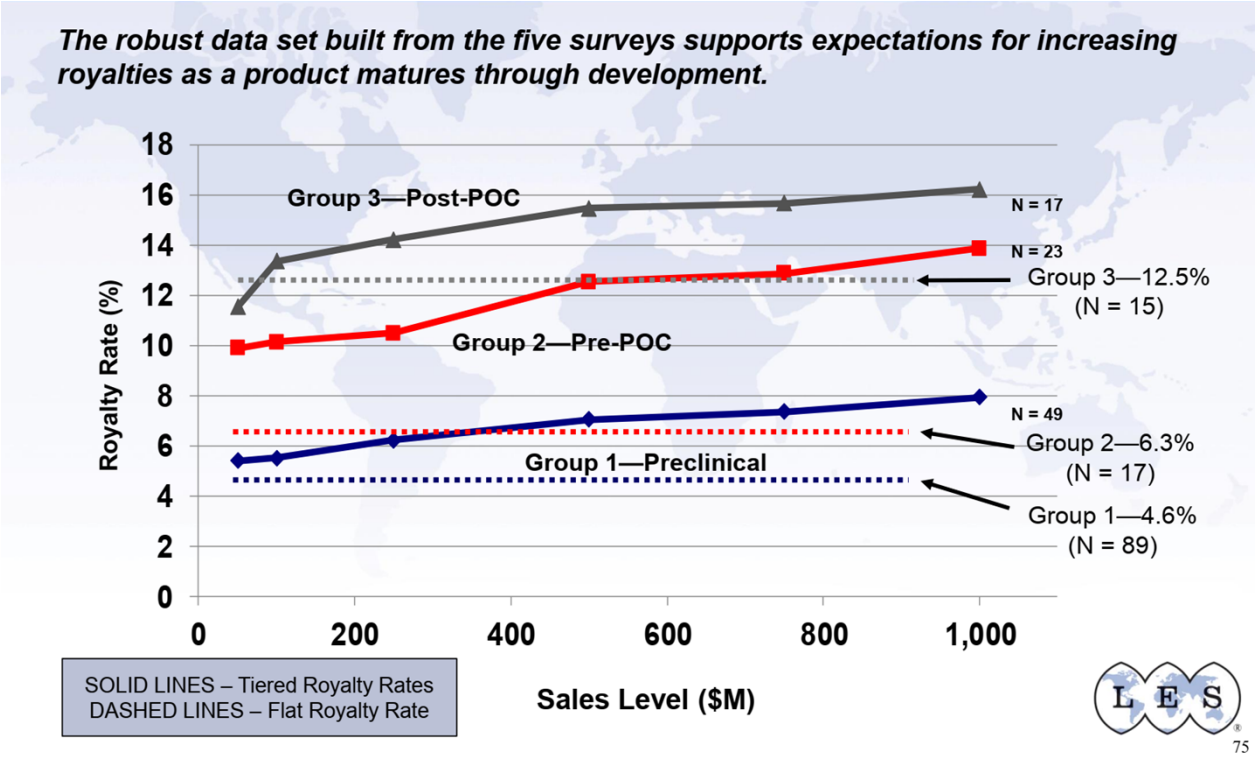
Industry	No. of Licenses	Minimum Royalty Rate	Maximum Royalty Rate	Median Royalty Rate
Computers	68	0,2%	15,0%	4,0%
Consumer Goods	90	0,0%	17,0%	5,0%
Electronics	132	0,5%	15,0%	4,0%
Energy & Environment	86	0,5%	20,0%	5,0%
Food	32	0,3%	7,0%	2,8%
Healthcare Products	280	0,1%	77,0%	4,8%
Internet	47	0,3%	40,0%	7,5%
Machine / Tools	84	0,5%	25,0%	4,5%
Media & Entertainment	19	2,0%	50,0%	8,0%
Pharma & Biotech	328	0,1%	40,0%	5,1%
Semiconductors	78	0,0%	30,0%	3,2%
Software	119	0,0%	70,0%	6,8%
Telecom	63	0,4%	25,0%	4,7%
Total	1 533	0,0%	77,0%	

It has further been carried out[5] that technology-intensive sectors, that produce differentiated products generally register high gross margins and hence can afford higher royalty rates. Traditional sectors (like foodstuff), on the other hand, which produce general purpose goods can only obtain modest or low gross margins, and hence result in lower royalty rates.

An approach coupling industry-wide references and specific transaction is therefore the best solution to approach an arm's length royalty rate.

In the present case. according to a global study conducted by the Licensing Executive Society regarding "Life Sciences" Royalty Rates & Deal Terms Survey [6] in 2018, showing a high level of consistency between 2018's and earlier surveys, the average flat royalty rate for the earliest stage product was approximately 5%.

[5] carried our by J. E. Kemmerer, CPA, J. Lu, Applied Economica Consulting Group Inc., USA in "Profitability and royality rates across industries: some preliminary evidence"
[6] https://www.lesi.org/docs/default-source/life-sciences-committee/lesi-life-sciences-royalty-rate-survey-2018.pdf



v. Comparative study of patents licensing rates in the medical industry

1. Our working method

We first tried to determine average royalty rates in the medical industry.

Various searches across various publications have led to no specific conclusion.

We therefore proceeded to an evaluation using various databases such as "Royaltyrange", where we searched for patent licenses related to specific fields.

Our search methodology was as follows:

- Identify patent license agreements for the same field of activity
- Identify the data of the different contracts to be analysed
- Determine contracts similar to our need
- Compare all the data collected
- Determine the usual royalty rate for the determined area

2. Industry's practice

We analysed **216** license agreements and selected only **12** that most closely corresponded to the objectives of our research. We have focused on agreements covering patents for catheters, medical apparel, and the more general medical devices sector.

Most of contracts found shows that the licensees license several different intellectual property rights at the same time, be it patents, trademarks, technologies, or copyrights.

According to the results of our research, in the licensing contracts granted to companies active in the fields described above, the licensors are paid between **0,5 and 25%** of the licensee's turnover.

The contracts obtained through this research are listed below. Additional information on these contracts can be found in the attachment.

The table below lists the relevant licensing agreements identified during our analysis:

Licensor	Licensee	Product	IP Rights Exclusivity Territories	Royalty rate
HYDROMER, INC.	Becton, Dickinson and Company, Inc.	Anti-bacterial bio-effecting medical material	License, Patent Non-exclusive license Territories: Worldwide	Licensee shall pay to licensor a royalty computed as the greater of the royalty calculated based on a percent or a fixed amount each quarter: **2.5%** or $ 50; If Licensor grants to any third party manufacturer a license under the licensed patent rights for a licensed product, then the royalties shall be reduced by licensor. Ref: RR20150819T02001
Edwards Lifesciences PVT, Inc.	3F Therapeutics, Inc.	Catheter-delivered heart valves and venous valves	Sublicense, License, Patent Exclusive license Territories: Worldwide	Licensee shall pay a royalty **4%** of the net sales of any licensed product sold by licensee; Licensee shall pay **25%** of the net sales of all products that are used in the surgical or venous field of use but that are actually used, with or without the direct involvement or prior knowledge of above the first 50 of such products sold by licensee. Ref: RR20130317T06013
Baxter Healthcare Corporation	Alsius Corporation	Medical treatment and heat exchange catheters	Know-how, License, Trademark, Patent Non-exclusive license Territories: Worldwide	Licensee shall pay to licensor royalties equal to **3.5%** of net selling price for up to 100 units, **3%** of net selling price for 101 – 250 units, **2.5%** of net selling price for 251 – 500 units and **2%** of net selling price over 500 units. <u>Other payments:</u> Licensee shall pay to licensor a license fee of $1000 payable as follows: $50 – feasibility payment, $200 on approval of license agreement, $250 upon submission of PMA or 510 (k) to US. regulatory authority, $250 on 1st commercial

Licensor	Licensee	Product	IP Rights Exclusivity Territories	Royalty rate
				sale inside the U.S., $250 on 1st commercial sale outside the U.S.; Licensee shall pay a minimum royalty of $50 per calendar quarter. Ref: RR20170224T06001
SurModics, Inc.	Innercool Therapies, Inc.	Single-use, temporary catheter placed within the vascular system which is surface-treated with photo-reactive polyvinylpyrrolidone, photo-reactive heparin, diphoto diquat (photo-reactive crosslinking compound) or any combination of these photo-reactive reagents	Know-how, License, Trade secret, Patent Non-exclusive license Territories: Worldwide	Licensee shall pay to licensor earned royalties of **2,5%** of net sales of licensed product sold in each calendar year on the first $1500, **2,25%** of net sales on the next $1500 and **2%** on net sales over $3000. <u>Other payments:</u> Licensee shall pay to licensor a quarterly minimum royalty of $50 for a period from January 1, 2002 to December 31, 2002, $100 for a period from January 1, 2003 to December 31, 2003, $200 for a period from January 1, 2004 to December 31, 2004, and from January 1, 2005 and each year thereafter, licensee shall pay to licensor a minimum royalty of the prior year's quarterly minimum royalty adjusted by a percentage equal to the percentage change in the "Consumer Price Index For All Urban Consumers" for the prior calendar year; Licensee shall also pay to licensor a total of $500 license fee as follows: $250 upon execution of the attachment and $250 upon first commercial sale of licensed product or two years from the date of execution of the attachment, whichever is earlier; Following the license granted by licensee to licensor, licensor shall pay to licensee a royalty of 5% based on sales that licensor receives from its sublicensees. Ref: RR20161116T04001
Terumo Corporation	Flexmedics Corporation and Microvena Corporation	Guide wire	License, Patent Non-exclusive license	One of the licensees shall pay to licensor a royalty of **7%** of net selling price of each licensed product; One of the licensees shall

Licensor	Licensee	Product	IP Rights Exclusivity Territories	Royalty rate
			Territories: United States of America	pay to licensor a royalty of **7%** of net selling price of licensed products and following royalties based on the net selling price of its own products: from 0 to current sales level - **8%**, from current sales level to 4 times current sales level - **10%**, from 4 times current sales level to 6 times current sales level - **15%** and for greater than 6 times current sales level - a royalty of **16%**. <u>Other payments:</u> Licensees shall pay to licensor a total of $1750. Ref: RR20170821T09002
Biophan Technologies, Inc.	Boston Scientific Scimed, Inc.	Vascular stents	Sublicense, Know-how, License, Copyright, Technology, Patent Exclusive license Territories: Worldwide	**3%** royalty for drug coated vascular stents including coronary, neuro or peripheral applications of coated or uncoated stents, embolic protection devices, aneurysm coils and all other vascular implants and for auditory implants; **4%** royalty for non-drug coated vascular stents including coronary, neuro or peripheral applications of coated or uncoated stents, embolic protection devices, aneurysm coils and all other vascular implants and RF ablation probes and ablation fluid; **5%** royalty for biopsy needles, interventional guidewires, vascular catheters, pacemakers and implantable cardiac defibrillators. <u>Other payments:</u> Licensee shall pay one-time payment of USD$7500; A total annual license maintenance payment of USD$1400 for the exclusive license and USD$1100 for the non-exclusive license; If licensee relinquishes a non-exclusive products category(ies) the USD$1100 amount may be proportionally reduced by USD$500 for category 1, 7 and 8, reduced by USD$250 for category 2, 3 and 4, reduced by USD$1000

Licensor	Licensee	Product	IP Rights Exclusivity Territories	Royalty rate
				for category 6 and reduced by USD$2000 for category 5; All one-time milestone payments are equal to USD$9,7000; Licensee shall pay to licensor 50% of all sublicense income. Ref: RR20130423T01001
Medtronic, Inc., Medtronic VidaMed, Inc.	Urologix, Inc.	Radio frequency therapy system	License, Trademark, Copyright, Trade secret, Patent Exclusive license Territories: Worldwide	Licensee shall pay licensor an earned royalty of **8%** of net sales during the 1st, and **10%** during each contract year of the term thereafter. <u>Other payments:</u> Licensee shall pay to licensor the non-refundable license fee of $100, annual license maintenance fee of $650 and undisclosed minimum royalties; The maximum amount of the total payments other than the license maintenance fee, is $1000. Ref: RR20140321T05001
Marv Enterprises, LLC	Inverso Corp.	Stents and other related devices for extracorporeal treatment of blood	License, Patent Exclusive license Territories: Worldwide	Licensee shall pay to licensor a **5%** royalty on fair market value of selling, leasing, using licensed products or performing services that use licensed products. <u>Other payments:</u> Licensee shall issue to licensor 617,037 shares of licensee's stock. Ref: RR20130225T02004
CS Medical Technologies, LLC	Pro Uro Care Inc.	Devices related to the treatment of benign prostatic hyperplasia, prostatitis, prostate cancer or any other conditions of urologic disorder which may be diagnosed, imaged	Know-how, License, Technology, Patent Exclusive license Territories: Worldwide	Licensee shall pay to licensor a royalty of **0.5%** of the amount by which net sales of all devices sold or distributed during such calendar quarter exceeds $5000. Ref: RR20161208T06002

Licensor	Licensee	Product	IP Rights Exclusivity Territories	Royalty rate
		or treated using a catheter-based microwave technology or sensor imaging system		
EchoCath, Inc.	EP MedSystems Inc.	Products which allow visualization of the heart's anatomy catheters inside the heart through the use of ultrasound imaging for electrophysiology applications such as mapping, ablation and internal cardioversion.	Know-how, License, Trademark, Technology, Patent, Other manufacturing intangibles Exclusive license Territories: Worldwide	Licensee shall pay to licensor a royalty of **2%** of net sales of licensed products. Ref: RR20170622T07002
AGA Medical Corporation	Microvena Corporation	Endovascular filtration devices	Know-how, License, Trade secret, Patent, Other manufacturing intangibles Non-exclusive license Territories: Worldwide	Licensee shall pay to licensor a royalty of **5%** of net sales of licensed products. Ref : RR20170814T01003
Mr. T. Fischell; Mr. R. Fischell, Mr. D. Fischell; IsoStent, LLC.	Cordis Corporation	Coronary stent	License, Patent Territorie: United States of America	Licensor and licensee shall a royalty of **1%** of net sales on a country-by-country basis on each product manufactured, used, or sold. Ref : RR20190129T01502

Based on said results, we can consider that the royalty rates for the above-mentioned industry, and ranges from 0,5% to 25% of gross revenues. More specifically, it appears that:

- the lowest royalty rate (0,5% of the amount by which net sales of all devices sold or distributed) is observed in a patent license contract relating to Medical devices from CS Medical Technologies, LLC

- the highest royalty rate (25% of the net sales of all products that are used in the surgical or venous field) is observed in a patent license relating to Catheter-delivered heart valves and venous valves from Edwards Lifesciences PVT, Inc.
- most of royalty rates revealed by our search are comprised between 3 and 7%, also depending on the actual (net) revenues generated by the licensed products; compared to other searches we conducted, we note that the royalty rates we have been able to reveal in the present search are relatively close to each other, almost all comprised in this range.
- the average royalty rate is of 5,99 %
- the median royalty rate is of 4 %

Range	Royalty Rate
Maximum	25%
Average	5,99%
Median	4%
Minimum	0,50%

It's important to consider the calculation basis. If some royalty rates are calculated as a percentage of the sale price of the products or income realized with the products licensed, which is relatively similar in terms of calculation, other license agreements are calculated as a percentage of net realized profit.

It is also important to note that the rate of the lowest royalties we identified are often in perspective because they are accompanied by an "entrance fee" relatively considerable.

Finally, higher royalty rates may also explain when the license is granted exclusively.

3. Conclusion

We consider that there exists a relatively clear guidance showing that the anticipated royalty rates of 3 – 7 % might be considered as corresponding to appropriate, considered the standard rates in the different industry and for these specific types of products, and the uncertainty related to the status of the intellectual property rights to be licensed as well as the non-exclusive status of the license.

For practical reasons, it seems therefore that a first approach of the patent rights value in the present case could be based on a 5% to 6% royalty rate thesis.

b. Theoretical revenues

As no corresponding market has been identified, we rely here on the business plan and market anticipations we have been provided for by the promoters of this project in the valuation conducted in 2018. The value as calculated using this method is therefore based on uncertain elements, and could be subject to high uncertainty, depending on the variations and actual realisation of the objectives contained in the business plan.

For this updated version of valuation assessment, and know that the products are not yet in the market, we considered that the first revenue year should be 2023.

We have been able to calculate the following, theoretical revenues.

	Global Market	Market Penetration	Market share value	Royalty percentage	Royalty value
2020	$1 875 000 000	0%	$0	5%	$0
2021	$1 875 000 000	0%	$0	5%	$0
2022	$1 875 000 000	0%	$0	5%	$0
2023	$1 875 000 000	10%	$187 500 000	5%	$9 375 000
2024	$1 875 000 000	20%	$375 000 000	5%	$18 750 000
2025	$1 875 000 000	30%	$562 500 000	5%	$28 125 000
2026	$1 875 000 000	40%	$750 000 000	5%	$37 500 000

Therefore leading to a total projected royalties amounting to $93 750 000.

If considering a 6% royalty rate as the average value of the royalty rates analysed in our benchmark, the following theoretical revenues are estimated:

	Global Market	Market Penetration	Market share value	Royalty percentage	Royalty value
2020	$1 875 000 000	0%	$0	6%	
2021	$1 875 000 000	0%	$0	6%	$0
2022	$1 875 000 000	0%	$0	6%	$0
2023	$1 875 000 000	10%	$187 500 000	6%	$11 250 000
2024	$1 875 000 000	20%	$375 000 000	6%	$22 500 000
2025	$1 875 000 000	30%	$562 500 000	6%	$33 750 000
2026	$1 875 000 000	40%	$750 000 000	6%	$45 000 000

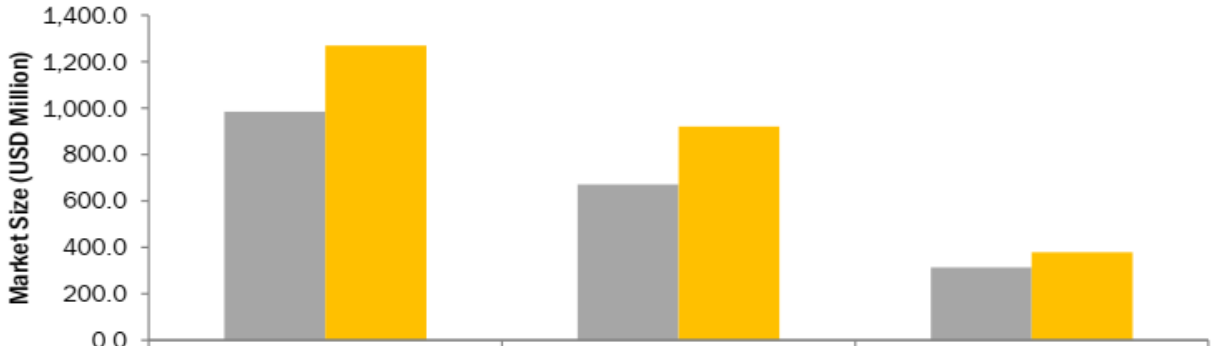
Therefore leading to a total projected royalties amounting to $112 500 000.

We however consider the values of the global market and the market penetration as being rather optimistic, leading to a potential (if not probable) over-estimated revenue flows.

The promoters of this project have provided us with a new market analysis conducted by MarketsandMarkets, the world's largest revenue impact company, serving over 7,500 customers, and 80% of the top 2000 companies for identifying new high-growth and niche revenue opportunities.

According to said market analysis, the value of the urinary catheters market is deemed to evolve as follow:

FIGURE 6 URINARY CATHETERS MARKET, BY PRODUCT, 2020 VS. 2025 (USD MILLION)



	Indwelling Catheters	Intermittent Catheters	External Catheters
2020	984.6	671.5	313.4
2025	1,269.4	920.6	379.2
CAGR	5.2%	6.5%	3.9%

Source: World Health Organization (WHO), Organisation for Economic Co-operation and Development (OECD), National Center for Biotechnology Information (NCBI), Centers for Disease Control and Prevention (CDC), US Food and Drug Administration (US FDA), National Institutes of Health (NIH), National Cancer Institute (NCI), National Association for Continence (NAFC), Urology Care Foundation, Annual Reports, SEC Filings, Investor Presentations, Expert Interviews, and MarketsandMarkets Analysis

Based on said market analysis, and on an assumption of constant growth rate, the following theoretical value of the market is estimated:

	Indwelling Catheters	Intermittent Catheters	External catheters
2020	$ 984 600 000	$ 671 500 000	$ 313 400 000
2021	$1 041 560 000	$ 721 320 000	$ 326 560 000
2022	$1 101 815 187	$ 774 836 251	$ 340 272 602
2023	$1 165 556 192	$ 832 322 985	$ 354 561 012
2024	$1 232 984 671	$ 894 074 781	$ 369 449 406
2025	$1 269 400 000	$ 920 600 000	$ 379 200 000
2026	$1 342 835 937	$ 988 901 254	$ 395 123 012

Based on said elements, we can extrapolate the potential royalty value:

- With a 5% royalty rate

	Total value	Market Penetration	Market share value	Royalty percentage	Royalty value
2020	$1 969 500 000	0%	$0	5%	$0
2021	$2 089 440 000	0%	$0	5%	$0
2022	$2 216 924 041	0%	$0	5%	$0
2023	$2 352 440 189	10%	$235 244 019	5%	$11 762 201
2024	$2 496 508 859	20%	$499 301 772	5%	$24 965 089
2025	$2 569 200 000	30%	$770 760 000	5%	$38 538 000
2026	$2 726 860 203	40%	$1 090 744 081	5%	$54 537 204

- With a 6% royalty rate

	Total value	Market Penetration	Market share value	Royalty percentage	Royalty value
2020	$1 969 500 000	0%	$0	6%	$0
2021	$2 089 440 000	0%	$0	6%	$0
2022	$2 216 924 041	0%	$0	6%	$0
2023	$2 352 440 189	10%	$235 244 019	6%	$14 114 641
2024	$2 496 508 859	20%	$499 301 772	6%	$29 958 106
2025	$2 569 200 000	30%	$770 760 000	6%	$46 245 600
2026	$2 726 860 203	40%	$1 090 744 081	6%	$65 444 645

c. Net Present Value

i. Discount rate

Said theoretical revenues have to be corrected by a discount rate.

Purely financial assessment only is not sufficient to assess the real value of a patent. This value should incorporate any impairment related to an absence or lack of protection in terms of patent rights, i.e. any price reduction due to partial or improper legal protection.

Knowing that this patent is at a very early stage of this procedure, we are not able to determine its legal validity or chances of success to obtain grant decisions in its regard.

A deduction of 25% to 35% of the patent value should therefore be applied to the pure financial value, in order to integrate this risk.

In addition, some market-related risks cannot be minimised, thereby leading to an additional 10 to 15% of the patent value.

ii. Value calculation

Taking into account the elements we mentioned before, we calculated several Net Present Values, varying on the basis of the discount rate.

Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. This period of time has been determined as 5 years, to integrate various factors, including the protection time but also the commercial and actual average lifetime of products in this market.

The discount rate is integrating risks, opportunity costs, and other factors such as the potential delays in bringing a product in the market. We therefore considered several options, with a discount rate varying between 35 and 50%, given the (still) uncertainty regarding the success of the products covered by the patents in the various addressed markets.

Said NPVs are as follows:

- Using the market data initially provided by CIC:
    - With a 5% royalty rate

Discount rate	35%	40%	45%	50%
NPV of royalties	$21 922 498	$18 507 117	$15 739 422	$13 477 366

    - With a 6% royalty rate

Discount rate	35%	40%	45%	50%
NPV of royalties	$26 306 998	$22 208 540	$18 887 306	$16 172 840

- Using the MarketsandMarkets market analysis:
    - With a 5% royalty rate

Discount rate	35%	40%	45%	50%
NPV of royalties	$29 900 627	$25 193 778	$21 386 109	$18 279 338

    - With a 6% royalty rate

Discount rate	35%	40%	45%	50%
NPV of royalties	$35 880 752	$30 232 533	$25 663 331	$21 935 205

Given the uncertainty concerning the financial, initial values (including global market, market penetration and royalty rate), we however consider that the value calculated by using this method cannot be considered as accurate for the need of an expert, neutral determination.

6. Conclusion

After having conducted an assessment using various methods, and based on the financial and practical elements we have been provided with, we conclude that:

- The cost approach (see point 3. above), even if providing a value (about 4 million EUR) is not considering the future benefits expected from the patents, and presents a pure accounting approach, where the actual revenues to be generated under the patents are not assessed at all.
    - This method is however the most accurate at the date of valuation, given the development phase of the product and of the patent protection, and the absence of revenues directly derived from the patent or from the products covered by the patent at the date of assessment.
- An income-based method (see point 4. above) is not applicable to the present valuation
- The Market-based valuation (see point 5. above) should provide us with the most accurate, economic value of the IP rights to be valuated, but that the values we have been provided with appears too uncertain to establish an accurate value according to the applicable standards

Given the uncertainties related to the income-based method and to the Market-based valuation, an additional analysis including more accurate data regarding market and royalty rates might in the future lead to a calculation of the estimated value of the future flows to be generated by the patent families we have assessed.

In the meantime, and in absence of other elements, we would recommend to adopt the most accurate method at the date of valuation, i.e. the cost approach.

OFFICE FREYLINGER – 27.08.2025

Originally issued on 8 June 2025. Updated on 27.08.2025 at the request of the Client. Scope of update limited to the changes described in the section "Important Notices and Scope of Update."

Terms and conditions

The present General Terms and Conditions (the "General Terms and Conditions") shall be applicable to all the legal relationships between Office Freylinger SA (hereinafter to be referred to as "OF") and any third party ("the Client") that commissions OF to carry out any work.

1. The Contract between OF and the Client shall be formed at the time when the Client places an order with OF, either orally or in writing, for the provision of any services and this order is accepted by OF.
   As to work in respect of which no order confirmation is dispatched due to the nature and scope of the work in question, the invoice shall also be considered to be the order confirmation, which shall be deemed to be a correct and complete representation of the Contract.
2. OF reserves the right to refuse an order without stating the reason for doing so.
3. If OF considers this to be necessary or desirable in the interest of a proper execution of any order it has received, it shall be entitled to call in the assistance of third parties, the costs of which shall be passed on to the Client. OF cannot be held liable for failures of that third party only if the Client shows that the choice of the third party has clearly been made by OF without due care.
4. By placing the order, the Client grants OF the right to collect personal information according to the OF Privacy Policy, mainly in order to provide OF services. Objections to the processing of personal information could lead to loss of rights.
5. The fees for the work to be carried out by OF shall be as follows:
   - in respect of the costs of arranging for registrations and other entries in patent, utility patent, trademark, design and model, domain name registers, including the preparation of the levies and charges payable for same and the fees, if any, of foreign third parties: in accordance with the fixed rates (excluding V.A.T.) or in accordance with the amounts specifically stated by OF in its offer;
   - in respect of other work than that mentioned under 4.a.: on the basis of the number of hours spent on the agreed work and in accordance with the hourly rate (excluding V.A.T.) fixed by OF.
6. The applicable fees shall either be the fees stated in the most recent lists of fees or the fees which OF has confirmed to the Client.
7. The fees shall not include the costs, which vary in each individual case, of printing blocks, extra categories, drawings, document date, extracts from registers, legalisations, translations, classifications, etc. Nor shall the fees include the costs that may arise after submission of the application/registration forms due to publication, granting of rights, negotiations with third parties or other work, such as the costs resulting from ex officio objections or from the opposition by third parties against the applicant. These costs shall be passed on to the Client separately. Any estimate of costs provided to the Client by OF shall only be in the nature of an indication and shall be without engagement.
8. If any prices and/or rates of price-determining factors, such as duties, wages and insurance rates are increased for any reason, OF shall be entitled to increase its fees accordingly and to charge these fees to the Client.
9. OF shall have the option to charge the Client for the work to be performed and the costs to be incurred by OF by means of advance, interim or final invoices to the Client. Any amounts paid in excess shall be refunded to the Client after completion of the work.The invoices shall be paid to OF within 30 days from the invoice date. Payments shall be made without any withholding, deduction or set-off, unless otherwise agreed upon.
10. The Client shall at all times remain liable for the payment of any unpaid invoices in his name, even if the Client has indicated that he has placed the order on behalf of a third party. If the Client places an order on behalf of a third party and does not wish to undertake any obligations on this account, this shall be stated expressly and in writing at the time of placing the order.
11. If the Client fails to pay within the periods stated under 10., he shall be in default by the mere expiry of the period concerned, without further notice of default being required. The Client shall in that case owe OF interest in respect of its unpaid invoices at a rate of 1,5 % per month or part thereof on the amounts due, without prejudice to OF's entitlement to compensation based on the law.
    By placing the order the Client grants OF a pledge (first lien), as additional security for the payment of all that the Client owes or will owe to OF, on the patents, utility patents, trademarks, designs or models, domain names to be registered by OF for or on behalf of the Client; the Client's acceptance of the present General Terms and Conditions shall constitute proof of the existence of such a pledge. In the event of the Client's failure to pay, OF shall be entitled to enter this pledge in the relevant registers at the Client's expenses. The pledge shall terminate as a result of the Client's payment of all the amounts he owes to OF. OF shall subsequently withdraw any registration of the pledge at the Client's expenses.
12. The Client is entitled to an indemnification of damage resulting from an event or a series of related events, which OF is liable for by law, in total to a maximum amount of one hundred thousand (100.000, -) EUR.
13. The right to claim indemnification becomes forfeited, if damage, after its discovery, is not reported to OF in writing with all due dispatch and anyhow as soon as twelve months have elapsed since the event which the damage is resulting from and which OF can be held liable for. The forgoing also applies in case the Client claims indemnification on the basis of a claim taken over or obtained from another party.
14. OF shall exercise the care of a reasonably qualified Intellectual Property counsel. He does not guarantee the envisaged result. Works realised by OF are carefully handled but remain subject to the risks of any service. OF only undertakes to engage all means requested to handle these works. Any responsibility incurring to OF regarding these works is limited to twice the amount of the professional charges regarding these services.
15. If the Client's order only consists of translating, certifying and/or validating a European patent that order does not constitute a conflict of interest that would OF prevent to render services to another client against the Client.
16. These General Terms and Conditions shall exclusively be governed by the law of Luxembourg. The Courts of Luxembourg shall have exclusive jurisdiction over all disputes.

OFFICE FREYLINGER

Privacy Policy

We value your privacy and cares about the way in which your personal information is treated.

Personal information collected by us is protected by the Law of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data.

1. What personal information do we collect about you?

We may collect personal information from you in the course of our business, including through your use of our website, when you contact us or request information from us, when you engage our IP-related, legal or other services or as a result of your relationship with one or more of our staff.

The personal information that we collect and process includes:

- Basic information, such as your name (including name prefix or title), the company you work for, your title or position and your relationship to a person
- Contact information, such as your postal address, email address and phone number(s)
- Information about your existing intellectual property ("IP") rights, your technical background or invention(s), your brand name(s) or your design(s)
- Financial information, such as payment-related information, VAT number, bank account number
- Technical information, such as information from your visits to our website or applications or in relation to materials and communications we send to you electronically
- Information you provide to us for the purposes of attending meetings and events
- Identification and background information provided by you or collected as part of our business acceptance processes
- Personal information provided to us by or on behalf of our clients or generated by us in the course or providing services to them, which may include special categories of data
- Any other information relating to you which you may provide to us.

In Luxembourg, the processing of 'sensitive personal data' is prohibited. Sensitive personal data is information about or which reveals your racial or ethnic origin, political opinions, religious, philosophical or similar beliefs, trade union membership, physical or mental health, sexual life, commission of criminal offences and/or involvement in criminal proceedings.

We ask that you do not send us any sensitive personal data.

2. How we obtain your personal information

- We collect your personal information while establishing first and further business contacts and while preparing our analyses, legal and IP-related advice and other core activities which you are entrusting to us.
- We collect information from you as part of our business acceptance processes and about you and others as necessary in the course of providing IP-related services.
- We collect your personal information while monitoring our technology tools and services, including our websites and email communications sent to and from us.
- We gather information about you when you provide it to us, or interact with us directly, for instance engaging with our staff or registering on one of our digital platforms or applications.
- We may collect or receive information about you from other sources, such as keeping the contact details we already hold for you accurate and up to date using publically available sources.

3. How we use your personal information

We collect and process personal information about you in a number of ways, including in the provision of our services and through your use of our website. We use that information:

- to provide you with a service and/or goods you might be interested in
- to provide you with information about Intellectual Property
- to communicate with you about our services, courses, events, and products, which we believe may be of interest to you
- to respond to your feedback or complaints, and to answer your enquiries and/or in relation to any other purpose for which it was requested and which was advised to you or directly related purposes, such as our activities directly related to our core functions (i.e. personal information collected during any counselling session)
- to provide and improve this website, including auditing and monitoring its use
- to provide and improve our services to you and to our clients, including handling the personal information of others on behalf of our clients
- to provide information requested by you
- to promote our services, including sending IP-related updates, publications and details of events
- to manage and administer our relationship with you and our clients
- to fulfil our legal, regulatory and risk management obligations, including establishing, exercising or defending legal claims
- for the purposes of recruitment

4. Use of Office Freylinger website

A number of facilities on our website invite you to provide us with personal information, such as the 'Careers' section of our website and our email queries facilities. The purpose of these facilities is apparent at the point that you provide your personal information and we only use that information for those purposes.

Our website uses Google Analytics, a web-based analytics tool that tracks and reports on the manner in which the website is used to help us to improve it. Google Analytics does this by placing small text files called 'cookies' on your device. The information that the cookies collect, such as the number of visitors to the site, the pages visited and the length of time spent on the site, is aggregated and therefore anonymous. Please also see 'Marketing and other emails' below.

You may refuse the use of cookies or withdraw your consent at any time by selecting the appropriate settings on your browser but please note that this may affect your use and experience of our website. By continuing to use our website without changing your privacy settings, you are agreeing to our use of cookies. To find out more about cookies, including how to manage and delete them, visit www.allaboutcookies.org.

5. Marketing and other emails

We might use personal information to understand whether you read the emails and other materials, such as IP-related publications, that we send to you, click on the links to the information that we include in them and whether and how you visit our website after you click on that link (immediately and on future visits). We do this by using software that places a cookie on your device which tracks this activity and records it against your email address.

If you receive marketing communications from us and no longer wish to do so, you may unsubscribe at any time by contacting us at office(at)freylinger.com.

6. Meetings, events and seminars

We will collect and process personal information about you in relation to your attendance at our offices or at an event or seminar organised by us or our business partners. We will only process and use special categories of personal information about your dietary or access requirements in order to cater for your needs and to meet any other IP-related, legal or regulatory obligations we may have. We may share your information with IT and other service providers or business partners involved in organising or hosting the relevant event.

7. IP-related, legal and other services

We collect, create, hold and use personal information in the course of and in connection with the services we provide to our clients. We will process identification and background information as part of our business acceptance, finance, administration and marketing processes, including anti-money laundering, conflict, reputational and financial checks. We will also process personal information provided to us by or on behalf of our clients for the purposes of the work we do for them. The information may be disclosed to third parties to the extent reasonably necessary in connection with that work.

8. On what basis we use your personal information

We use your personal information on the following bases:

- To perform a contract, such as engaging with an individual to provide IP-related or other services
- For the establishment, exercise or defence of IP-related claims or proceedings
- To comply with IP-related, legal and regulatory obligations
- For legitimate business purposes.

9. How long we keep your personal information

Your personal information will be retained in accordance with our global data retention policy which categorises all of the information held and specifies the appropriate retention period for each category of data. Those periods are based on the requirements of applicable data protection laws and the purpose for which the information is collected and used, taking into account IP-related, legal and regulatory requirements to retain the information for a minimum period, limitation periods for taking action, good practice and our business purposes.

10. Who do we share your personal information with

We are an international IP law firm and any information that you provide to us may be shared with and processed by any entity in our worldwide network and our associated firms.

We may also share your personal information with certain trusted third parties in accordance with contractual arrangements in place with them, including:

- Administrative bodies and offices dealing with intellectual property rights and IP rights prosecution and registration
- Our professional advisers and auditors
- Suppliers to whom we outsource certain support services such as annuities, word processing, translation, photocopying and document review
- Our IT service providers
- Third parties engaged in the course of the services we provide to clients and with their prior consent, such as local counsel and technology service providers
- Third parties involved in hosting or organising events or seminars.

Where necessary, or for the reasons set out in this policy, personal information may also be shared with regulatory authorities, courts, tribunals, government agencies and law enforcement agencies. Although unlikely, we may be required to disclose your information to comply with IP-related, legal or regulatory requirements. We will use reasonable endeavours to notify you before we do this, unless we are restricted from doing so.

If in the future we re-organise or transfer all or part of our business, we may need to transfer your information to new entities or to third parties through which our business will be carried out.

We may use social media sites such as Facebook, LinkedIn and Twitter.

If you use these services, you should review their privacy policy for more information on how they deal with your personal information.

We do not sell, rent or otherwise make personal information commercially available to any third party, except with your prior permission.

11. How we protect your personal information

We use a variety of technical and organisational measures to help protect your personal information from unauthorised access, use, disclosure, alteration or destruction consistent with applicable data protection laws.

Whenever it is possible, we use information in a de-identified form.

12. Which countries we transfer your personal information to

In order to provide our services we may need to transfer your personal information to locations outside the jurisdiction in which you provide it or where you are viewing this website for the purposes set out in this privacy policy. This may entail a transfer of your information from a location within the European Economic Area (the "EEA") to outside the EEA, or from outside the EEA to a location within the EEA.

The level of information protection in countries outside the EEA may be less than that offered within the EEA. Where this is the case, we will implement appropriate measures to ensure that your personal information remains protected and secure in accordance with applicable data protection laws. EU standard contractual clauses are in place between all our entities that share and process personal data. Where our third party service providers process personal data outside the EEA in the course of providing services to us, our written agreement with them will include appropriate measures, usually standard contractual clauses.

13. Your rights regarding your personal information

The General Data Protection Regulation of the European Union and other applicable data protection laws provide certain rights for data subjects.

You are entitled to request details of the information we hold about you and how we process it. You may also have a right, in accordance with applicable data protection law, to have it rectified or deleted, to restrict our processing of that information, to stop unauthorised transfers of your personal information to a third party and, in some circumstances, to have personal information relating to you transferred to another organisation. You may also have the right to lodge a complaint in relation our processing of your personal information with a local supervisory authority.

If you object to the processing of your personal information or if you have provided your consent to processing and you later choose to withdraw it, we will respect that choice in accordance with our legal obligations.

Your objection (or withdrawal of any previously given consent) could mean that we are unable to perform the actions necessary to achieve the purposes set out above (see 'How we use your personal information'), that you may not be able to make use of the services and products offered by us, or that you may lose rights due to the absence of required information. Please note that even after you have chosen to withdraw your consent we may be able to continue to process your personal information to the extent required or otherwise permitted by law.

We must ensure that your personal information is accurate and up to date. Therefore, please advise us of any changes to your information by contacting us at office(at)freylinger.com.

14. Data controllers

If you have any questions or need further information about our privacy practices, please contact:

Data Protection Officer
OFFICE FREYLINGER S.A.
234, route d'Arlon, B.P. 48,
L-8001 Strassen, Luxembourg
Tel.: +352 313830-1, Fax.: +352 313833
email: dataprotection@freylinger.com

1. About Office Freylinger

Location

Office Freylinger is strategically located in Luxembourg, recognized as one of the top international business-friendly countries in Europe. In order to centralize and develop IP assets from Luxembourg, Office Freylinger has built a multilingual, multicultural team with legal, creative and technical competencies. Since 2008, Intellectual Property (IP) revenues in Luxembourg companies can benefit from an 80% tax exemption.

Mission

Office Freylinger's mission is to centralize and develop company's IP capital within a global context.

Services

Office Freylinger provides a broad range of services related to patents, trademarks, designs, domain names, IP conflicts and valuation.

Office Freylinger assists its clients in developing adequate Intellectual Property strategies to help them in acquiring and expanding strong market positions based on strong Intellectual Property Rights. We therefore lead our clients through every stage of the innovation process, from research to commercialisation.

We advise SMEs and multinational companies, public-funded or private research organizations as well as business entrepreneurs.

Operating in a multilingual environment, all team members are able to work in at least three working languages, namely French, German and English.

We protect our client's interests worldwide through our network of IP professionals. In Europe, we are able to act on behalf of our clients directly before the European Patent Office, the European Union Trademark Office and the WIPO as well as before the national intellectual property Offices of the French, German and English speaking-countries.

Corporate information

Office Freylinger SA is a Luxembourg Société Anonyme and has been active as Intellectual Property law firm since 1966. The company is registered before the Companies Register under No. B 65 192 and its VAT number is LU 17560609.