



RoyaltyRange data meets the strict requirements set by the latest OECD BEPS guidance.

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# **About RoyaltyRange**

RoyaltyRange is a UK-based intellectual property royalty rate database. RoyaltyRange Europe is funded by Practica Capital and European Union's structural funds, with a total share capital of EUR 850,000.

RoyaltyRange provides data for setting, benchmarking and assessing royalty rates for intellectual property. The company offers its clients a wide range of services, including subscriptions to the database, benchmarking studies, performance of agreement searches based on the criteria provided by the client, and research and data collection.

Data and services provided by RoyaltyRange are used for various purposes: transfer pricing analysis, benchmarking studies, patent box analysis, the valuation of intangibles, licence agreement drafting and negotiation, infringement damage calculation, expert testimony, and litigation. The data contained in the database is fully compliant with the latest OECD BEPS quidance.

### **Key facts:**

- The RoyaltyRange database contains manually gathered and professionally analysed data.
- The database was compiled by analysing approximately 150,000 publicly available agreements and selecting only the
  agreements that comply with our standards and requirements.
- The database is constantly being updated with data from the latest transactions.
- The agreements in the database were concluded recently (many in the last five years), typically between unrelated parties.
- All data complies with the latest international standards on transfer pricing, including Guidance on transfer pricing aspects of intangibles, published by the OECD in October 2015 in the framework of the OECD BEPS Actions 8-10.

## What makes RoyaltyRange different?

RoyaltyRange specialists analyse the data and add to the database only those agreements that comply with our quality standard criteria based on the newest OECD regulations. The following types of agreements are not included in the database:

- Agreements between related parties (typically not included)
- · Agreements with undisclosed remuneration mechanisms
- · Royalty-free agreements
- Agreements where royalties are expressed in other form than percentage
- Agreements with individuals, universities and other non-commercial entities (typically not included)

One of the main advantages of RoyaltyRange is that the data does not require much additional work from the client's side. This is why agreements that cannot be used in real analysis are rejected during the database compilation process, so that our clients do not need to do this work each time.

Moreover, the database consists of manually prepared royalty rate reports that already contain significant comparability analyses, including functional analysis performed in accordance with the OECD requirements.

# Royalty rate reports at a glance

- The database consists of royalty rate reports that contain manually gathered and analysed data, so each report is a result of deep and thorough analysis.
- The arm's length principle is taken into account when compiling the database. Generally, the most common approach in most jurisdictions is that the parties to the agreement are considered related when an entity participates, directly or not, in the capital by owning 25% or more shares. We apply this approach, where possible, by checking the publicly available information for this data and focusing on independent transactions.
- The reports contain more than 50 detailed and standardised comparability factors of royalty rates and licensing terms.
   Each report is supplemented with original non-redacted agreements, as well as filings and other types of documents from which the data is gathered.
- Each report contains: a detailed analysis of the identification of intangibles and the legal owner of the intangibles; characterisation of the transaction involving intangibles; royalty rate percentage and terms; and a functional analysis section that contains a detailed functional, risk, cost and asset analysis.

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= 0	OYALTY RANGE		FINAL REPORT						3			
	STALIT KANGE		Search Criteria: Data:	Sample, 30/01/2017								
									_			
						General			L Identificati	ion of Intangibles	and Legal Own	er of Intangibles
						General				_	_	Limitations
No.	Unique Code	Type	Licensor	Licensor's Activities	Licentee	Licenses's Antivities	Description of Object	Geographical Scope	Date of Agreement	Time Period - Effective Date	Time Period- Cossation Date	Tim
9	RR20140804T05001	License, Trademark	GE Trademark Licensing, Inc.		SQL Lighting & Fans, LLC	Licensee is a subsidiary of a company engaged in the business of developing technology that enables a quick and safe instatistion by the use of a power plug for electrical futures into ceiling and wall electrical junction boses.	License to use trademarks and logos (word mark "GE" and "Georal Electric Monogram Logo") on and in connection with the manufacture, sales, marketing, and distribution of the Safety Darks Light Device (device for a qui	The United States and Canada	17/04/2013	17/04/2013	31/12/2017	License : 15/6/2011 to : renewed for a
2	RR20140102T05008	Know-how, License, Trademark, Brand	SEGA Corporation	Licensor is multinational video game developer, publisher and hardware development company.	Chine Animation Holding (BVI) Limited		Licence under the brand name "Joypolis", trademarks and know-how to open and operate at least one indoor amusement park featuring arcade games and amusement rides.	Shanghai	22/11/2014	22/12/2014	22/03/2024	Licence she years and a years: Lice concluded o later amer
3	RR20140926T05001	License, Trademark	VAL TRADEMARK THREE LIMITED	Licensor is Scensed to use and grant sublicenses of certain trademarks associated with the word "Virgin".	VIRGIN AMERICA INC.	Licensee is a premium-branded, low- cost eithine based in California that provides scheduled air travel in the continental United States and Mexico.	Right under "Vergin" trademark, signature, trading and business names ("Vergin America", "Vergin America Arways", "Vergin America Curgo" and others) to operate an elitric and/or evidetion cargo and air freight carrier, manifecture certain promotional goods, provide promotional marketing and public relations activities and perform other related activities.	United States of America (including Puerto Rico), Canada and Masico - for all routes, Caribbean islands and Bermuda - for the routes, where selly one of the		09/02/2005, unspecified	09/02/2020, unspecified	License shall years (nick extended for provided the the licenses consecutive 1 year) period.
4	RR20150102T05001	License, Brand, Trade name	China Motor Management Services Limited		Guergahou Bothy Chemical Co., Ltd.		Licensor feases to licensee certain trademarks used (under brand names "FOXO" and "VINT") for the production of wide range of chemicals including seroed spray palet. ffer-resident, artificious and other paints, paint remover, floor, car and paraffin wax, raw wax material, ust licensing spray and inhibitor, furnityer polish, ename, trinner, mastic (patry), warrish, washing-us flevial and glass claimer, dry los (patrole dissides), solidified ages for in dustried purpose, brand you for forther dissides), solidified ages for in dustried purpose, brand.	Unspecified PRC	03/10/2014	16/12/2014, unspecified	31/12/2016	
5	RR20130125T01001	License. Technology. Patent	Eco Global Corporation		Accelerated Acquisitions XI, Inc.	Licensee intends to design, manufacture and market customized concrete block products, interlocking concrete blocks, roofing structures, light concrete aggregate panels and a "kit system" of a pre-fabricated houses or structures on a standard	License under technology and patient rights to make, use and apply certain technology known as "Block Construction System" (concrete interioding modular blocks system, which can be safely and efficiently assembled without any mortar).	, Global grant	11/03/2011	11/03/2011	11/03/2041, projected	License shall

W. Allen	- WA.	houses or structures	on a surcord		
		III. Remuneration	-	IV. R	eference
Royalty Rate	Base	Other Psymonts	Compensation and Other Details	Document Title	Link
5,00 %	Net sale	Licensee's minimum royalty obligations to licensor are \$400,000 in 2013, \$2,100,000 in 2014, \$2,800,000 in 2015, \$3,300,000 in 2016 and \$3,800,000 in 2017.	For the period of 2011-2012 (starting from commencement date until 3011/2012) licensee shall pay to licenser a royally of 5% of licensees and its affiliates net sales of licenseed products, for the period of 2013-2017 licensee shall pay fixed calculated additional royalty, which is calculated by multiplying 0,05 by net sales minius met sales minium (which is	FIRST AMENDMENT TO TRADEMARK LICENSE AGREEMENT	http://www.sec.gov/Archiv es/edgar/data/1598981/00 0072174814000740/sfq106 2514s1ex102.htm http://www.sec.gov/Archiv es/edgar/data/1598981/00 0072174814000740/sfq106
5,00 %	Gross sale	Licensee shall pay to licensor a non-refundable licence fee of JPY 30,000,000 and following guarantee payments: 1st fiscal year - 50% of royalty, 2nd fiscal year 50% of the royalty of 1st fiscal year, 3rd and subsequent years - 50% of the royalty of the previous year.	Licensee shall pay to licensor a non-refundable royalty of 5% of the gross sales of licensed Joypolis indoor animation amusement parks.	Application proof	http://www.hkexnews.hk/li stedco/listconews/SEHK/2 015/0312/LTN201503120 56.pdf
0,50 %	Gross sale		Licensee shall pay to licensor a quarterly royalty equal to 0,5% of licensee's and its affiliates' and/or its sublicensees' and assignees' gross sales received in connection with the licensed activities.	TRADE MARK LICENCE	http://www.sec.gov/Archiv es/edgar/data/1614436/00 0119312514320206/d761 208dex1012.htm http://www.sec.gov/Archiv es/edgar/data/1614436/00 0119312514280886/d761
2,50 %	Net sale price	Total royalty fees to be paid by licensee to licensor for financial years ending 31/12/2014, 31/12/2015 and 31/12/2016 shall not exceed HK \$100,000, HK \$500,000 and HK \$600,000,	Licensee shall pay to licensor a royalty of 2,5% of net sales price of the products sold under licensed trademarks.	Announcement	http://www.hkexnews.hk/li stedco/listconews/sehk/20 14/1006/LTN2014100600 Z.pdf http://www.hkexnews.hk/li

As a result of the recent BEPS recommendations issued by the OECD, changes to the Italian transfer pricing legislation and the implementation of the Patent Box regime, RoyaltyRange has provided data and services to a significant number of Italian clients. Our data is used for many purposes, including transfer pricing, valuation and patent box analysis.

### Patent Box regime in Italy

The Stability Law introduced a Patent Box regime in Italy in 2015. The Patent Box regime is optional; it allows businesses to benefit from lower effective tax rates on profits derived from intellectual assets.

This qualifying intellectual property includes: patents, trademarks, know-how, other industrial information, software that is covered by copyright, and models and designs that are capable of legal protection. The possibility of considering complementary intangible assets as a single intangible asset for the purposes of the Patent Box regime was introduced in 2016.

The provisions of the Patent Box regime are in line with the OECD nexus approach, which is defined by Action 5 of the OECD BEPS project. It allows a taxpayer to benefit from an IP regime only to the extent that the taxpayer itself incurred qualifying R&D expenditures that gave rise to the IP income.

The Patent Box regime may provide an exemption from corporate income tax and local tax on income. The exemption was equal to 30% for 2015, 40% for 2016, is equal to 50% starting from 2017, and is granted for five years irrevocably.

### Comparable uncontrolled price (CUP) method application

The RoyaltyRange royalty rate CUP data is very useful and productive in any European Patent Box regime application due to the following:

- It is specifically compiled for the application of the CUP method.
- It includes a detailed functional, risk and asset analysis.
- It is compliant with the OECD BEPS.
- It has detailed third-party and highest quality data.

### Transfer pricing regulatory framework and the arm's length principle

The arm's length principle and the related OECD guidelines on transfer pricing form the internationally accepted standard for testing the appropriateness of intercompany transactions. The arm's length principle is generally applied by 35 member countries of the OECD and many non-member countries as well.

The arm's length principle is incorporated in Article 9 of the OECD Model Tax Convention on Income and on Capital, which forms the basis of the extensive network of bilateral tax treaties between countries.

#### **CUP** method

The OECD guidelines on transfer pricing impose the requirement that the most appropriate method be applied under the applicable facts and circumstances.

The CUP method compares the price charged for property or services in a controlled transaction to the price charged for property or services in a comparable uncontrolled transaction.

### **Comparability of transactions**

Application of the arm's length principle is based on a comparison of the economically relevant characteristics of the tested transaction with the economically relevant characteristics of transactions between independent companies. The tested controlled transaction must be sufficiently comparable to an external uncontrolled transaction.

In the course of the application of the CUP method, an external uncontrolled transaction should comply with the following OECD factors for comparability:

- · Characteristics of property or services.
- · Functional analysis.
- Contractual terms.
- · Economic circumstances.
- Business strategies.

# RoyaltyRange in Italy

RoyaltyRange has provided data and services to a significant number of Italian consulting and legal firms. The most common purposes for the use of the RoyaltyRange royalty rate data include transfer pricing, patent box and valuation analyses.

Clients	Share of total clientele
Consulting and auditing firms	42%
Legal firms	32%
Industrial companies	23%
Universities and research institutions	3%



RoyaltyRange data is used by a wide range of professionals in different fields, and each client has a different set of requirements. We offer a range of services to meet the specific needs of our clients and make sure that we offer an individual approach and tailored solutions for all of our clients' projects.

## Our services include:

- Database subscription.
- One search.
- Benchmarking studies.

# **Database subscription**

The subscription service is a flexible and advantageous solution that RoyaltyRange offers to professionals who want to access RoyaltyRange data themselves.

Subscription access allows performing unlimited searches 24/7 with more flexibility for each search. The user can try various search criteria and approaches in order to arrive at the optimal strategy for each particular project.

When using the RoyaltyRange subscription module, subscribed users can always count on the assistance of our specialists, who are ready to help and happy to provide the guidance and training required to get the best out of the RoyaltyRange

database.

## Database subscription options (plus VAT)

	POPULAR PLAN				POPULAR PLAN	
-	Pay per use	Boutique	Base	Standard	Business	Enterprise
Term	30 days	Unlimited	6 months	1 year	1 year	
Туре	Office	Office	Office	Office	Office/country	
Accounts	1	1	1	2	Unlimited	
Downloadable reports	Unlimited	300	Unlimited	Unlimited	Unlimited	
Unlimited access 24/7	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	
Unlimited searches	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	⊗	
Live online training	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	⊗	
Live chat support	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	<b>⊘</b>	⊗	
Phone support	<b>⊘</b>	<b>⊘</b>	<b>②</b>	<b>②</b>	⊗	Contact us
Search assistance	<b>⊘</b>	<b>⊘</b>	<b>②</b>	<b>⊘</b>	⊗	
Money-back guarantee		<b>⊘</b>	<b>②</b>	<b>②</b>	<b>⊘</b>	
Follow-up training				<b>⊘</b>	⊗	
Ask us to search					<b>⊘</b>	
Pause subscription					<b>⊘</b>	
Extend if not used					<b>⊘</b>	
In person training						
Custom integrations						
Billed yearly	€500 / 30 days	€200 / month for 1 year	€400 / month	€300 / month	€400 / month	
Billed monthly	300 / 30 days	€250 / month for 1 year	€450 / month	€350 / month	€450 / month	

# **Example of a database subscription**

Search title – Sample	Popular search strategies
Use Keywords, NACE rev 2.0 or SIC codes to perform a search.  Keywords ∪setrope®	Select industry from the list and the most search strategy will be generated for you automatically.
Quid for  - the proof of the pr	Apriculture Industry Appear Products Automotive and Other Transportation Commission Sector Commission
Select	Food and Beverage Products     Furniture
OR	Internet Services, Websites, Domains     Metallungy, Metal Products     Minina Industry
SIC Select	Petroleum Industry     Plastic Products     Security Services and Products. Weapo
Advanced search (to narrow the search results)	Waste Management Industry
<u> </u>	Search result sets
Search	Select industry from the list and the most reports will be automatically transferred to 'Agreements for review section.

**Step 1:** Enter your criteria in a search window, or choose one of the predefined Popular search strategies

**Step 2:** Get a list of reports that match your criteria and choose the ones that you would like to download

		Type 8	Description of object 6	Territory (	Date (	9 Sine	9) Reyalty rate
D	Breiter	Stores Band	License to self-men's, women's and children's tennis and lifes/se appeard factorea and accessories and fenvis and recipieds sports equipment including but not limited to ment, somen's and children's tennis recipieds. tennis begs, rennis balls and tennis accessories.	Grobal grant	3010-20-26	Net invoice amount	21.00%
D	Review	License, Trademark	License to utilize licenser's logic and trademark in association with the manufacture, advertising, distribution, and sale of append.	distril grant	3005-04-28	Net wholesale sale price	1200%
0	Presign	License Brand	Licenses sells apparel and resired accessories under branch Scensed from Sciencers Calum Epin, di Calum Mon, Gerra, Querni, Kenneth Cale NY, Bascion Kenneth Cale, Clair Haan, Sean John, Lerix, Yinor Carnoon, Jessica Simpson, Jones Nen Forli, Nine Hent, Blien Toog, Kande, Mark di Jac, Janka Thomp, Docken, Tommy Hilligen.	Unspecified/Global grant	3013-61-31	Not sale	4,00 % - 10,00 %
0	Bredeor	License, Trademark, Brand	Licensing rights to Jos's Jeans'* label, trademark and JD logic for all appears and accessing products; Right to market proviously designed product line.	Global grant	2001-02-07	Non sale	1,00%
D	Brecipir	Licence, Trademani, Copyright	Lisense to utilize all designs submitted by Scensor, including associated trademark and copyright, in connection with the reacufacture and sale of beits, waters, logs, headwear, appearly places of all materials.	United States, Canada, European Union, Japan	2009-20-31	Net cale	100%
0	Engugur	Geense, Trademark	License to distribute the products bearing the Zeroloff Appen AerogetaTM trademark for production and sales of items in fail of open user apparel, flootnear and related sports specially heres.	Gratial grant	2210-61-14	Gross rejailty revenue	500%
0	Review	Trademark, Copyright, Conduit	Some to use for each trade to be dead to except on with the mendature importation, whethereous, distribution and sale of all users a approximating introduces professors, without an all sale of all users a approximation of the meaning professors, without an all disposars.	United States and all U.S. mistary installations and base worklyings: Usenore shall be permitted to manufacture iconoed products anywhere in the world for sale within the licensed territory.	2004-12-17	für uie	1,00%, 4,00%
0	Deview	Tedemark, Copyright, Geodell	Some to use frequent to believe to finish to acception with the mendature importation, adminishment distribution set use of each spreak including each schimater sportases, pass, poleration, and adminishment distributions.	United States and all U.S. military mutalistic or and lease workleide; Useroes shall be permitted to manufacture iconced products enywhere in the world for sale within the Dominal territory.	2006-01-01	Siet sale	525
0	Preview	Sublicense, Trademark, Coopright, Coodwill, Trade same	Eight to enhantly spiritals, enddense, togas, designs, printing upon anwes, professional reserve, and result invegate impresentations beard on the resilit in reago of the enter Life Bow These on the goods for installer for Chicanic appear has the PCI glinif a sport design Final Bow all prints are red as coordinates passionalisms involving barrageding, bette, target and opens tags, and to executionary and self or literated products to their party which includes the products of the printing and the self-terms and self-terms.	Global grent	2002-08-01	Net sale	620 %

	Download Name
Download 🗐	Sample_FullReport.docx
Download 📶	Sample_FullReport.xlsx
Attachments	
Download all attac	hments 🦺
Download separate	attachments
1_RR20130531T060	01
2_RR20130529T070	02
Download 🃆	2_RR20130529T07002_1.pdf
Download 🃆	2_RR20130529T07002_2.pdf
3_RR20130528T040	01
4_RR20131122T020	01
5_RR20131122T020	02

**Step 3:** Download the final reports of your selected agreements and their original sources in PDF



### One search

We offer to perform searches for royalty rate data upon request, taking into account the search criteria provided by the client. We take this search criteria and perform a thorough search in our database. We then manually analyse the initial data in our database and deliver the results for client's review.

The results are presented in a list of free primary reports containing all pertinent information about particular agreements, with the exception of royalty rates, other remuneration terms and the names of the parties involved in the transactions. The information contained in the primary reports allows the client to make an informed decision regarding the agreements for which he or she would like to purchase full access. This way, we make sure that the client is only paying for the agreements that are most relevant for his or her analysis.

The client then decides whether the search results are relevant and contain a sufficient number of reports. The fee is fixed for all requests: after the payment of **EUR 400** (plus VAT) is received, the client gets all royalty rate reports relating to the search strategy, including full details on up to 50 comparability factors for each agreement, links to original sources, and full texts of original agreements or filings. The cost of the search is included in the fee and the client can expand or refine the search without an additional charge.

# Example of one search

**Step 1:** We run a search in our database following the criteria provided by the client.

Date: Search Criteria:		03/11/2014 Type: Trademark, Palent; Keywords: Oplic cable; NACE rev. 2: 27.31, 26.80; SIC: 3827.										
	Please s	elect the r	numbers o	of the repo	rts you w	ould like t	o purchas	e				
□ No. 1	□ No. 2	□ No. 3	□ No. 4	□ No. 5	□ No. 6	□ No. 7	□ No. 8	□ No. 9				
□ No. 10	□ No. 11	□ No. 12	□ No. 13	□ No. 14	☐ No. 15	□ No. 16	□ No. 17	□ No. 18				
□ No. 19	□ No. 20	□ No. 21	□ No. 22	□ No. 23	□ No. 24	□ No. 25	□ No. 26	□ No. 27				
□ No. 28	□ No. 29	□ No. 30	□ No. 31	□ No. 32	□ No. 33	□ No. 34	□ No. 35					
No.:		ain hidden da		vill be provide	d upon paym	ent.						
Unique Code:  I. Identification of Int		RR20130531T07001 angibles and Legal Owner of Intangibles										
1. General												



**Step 2:** Client gets a list of initial results and may select the reports he or she would like to purchase (or purchase all reports from the list for the same price).

Step 3: Soon after payment, client receives all information on the agreements plus their original sources in PDF.

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A	A		AN AO	AP AQ	AR AS	AT AU	AV AW	AX AY	AZ BA	33	BC	90	86	W	96	388	BE	3V
100.00	≡ R	OYALTY RANGE																
			ot.cumber.no	neemin I loone	nor second . I	(nomane )		(Numbers S	mm 1 to 4	II. Charac	serization of the	Transaction			El benueration		IV.	Reference
2	-		-	,		Costs &	Assets	_			_			7				-
	No.	Unique Code	Product Liability	Bear the Costs to Eugent d. Perfermence of Prantices	Bear the Clear When Ratement Rakes Clear to Treatmen	Provide Congruencies to Other Parties Perferming & Frantesse	Assumb and Destigues Com	Marketing Contr	Kaswindge of Own Employee	Transaction Involving Transfer of Rights in Inneghibes	Transaction Serolving Transfer of Issuegibles	Transaction Josephing the Use of Interphine in Commotion With the Sale of Goods or the Provision of Services	Royally Rate	San	Other Propression	Congenities and Other Details	Droument Title	Link
,	e e	RR20146894T05008	444			444		4 444		4			5,00 %	Net sale	Liconau's milakrum royalty sibligations in liconaur are \$400,000 in 2013, 32,000,000 in 2014, \$22,000,000 in 2015, \$3,300,000 in 2016 and \$3,000,000 in 2017.	For the period of 2011-0212 (contring from commencement data usual 2011-0212) (contring from commencement anythy of 2% of Hormoriv and its affiliator) not sales of larensed products; For the period of 2013-2017 (occurs shall per Hand calculated additional reyolats, which is calculated by multiplying 4,65 by not sales around see a minimum (both, is cound to \$8000,000 for year 2013.	FIRST AMENDMENT TO TRADEMARK LICENSE	http://www.sec.go//Arthrosolgae/date/1519991300072 2613000740040062534a1 287234tt http://www.sec.go//Arthrosolgae/date/151991300072 74814000745363062534a1
10	2	RR201460N2T05008							444 4	4		٧	5,00 %	Gross sale	Licenser shall pay to licenser a non-refundable license fee of IPV 30,000,000 and following guarantee payments: Iss fiscal year - 50% of royalty, 2nd fiscal year 50% of the royalty of its fiscal year, 1nd and subsequent years - 50% of the royalty of the previous year.	Licensee shall pay to licenser a non-ordendable anyely of 5% of the grees sales of icensed Jaypolis indoor salesation assurance; parks.	Application proof	http://www.blastacon.tdc/fic dom/lettoners/s/SEHK-2015/0 3123LTN20150312096.pdf
=	,	RR201469G9T05008		444	444					<b>4</b>		V	0,50%	Gross sale		Liennee shall pay to lienner a quentity reysity equal to 0,5% of lisemen's and in stiffaster' and/or in subsceneral and assignees' grees sales necessed according with the liveneed activities.	TRADE MARK LICENCE	http://www.soc.gov/Archivos odges/data/1114436/000119/ 1291433/00066/F612066/a/3/ 1224m http://www.soc.gov/Archivos odges/data/1114436/000119/ 129143/60096/JF612066613
12	4	RR20196002T05060								·		V	2,50 %	Not sale price	Total royalty flow to be poid by licensee to licensee for financial year miling 3/12/2014, 30/12/2015 and 31/12/2016 shall not exceed EIK \$100,000, 38K 5500,000 and 18K 5500,000, respectively.	Liannace shall pay to homser a rejulty of 2.5% of net sales price of the products sold under licensed undersades.	Associations	http://www.blace.com/shifter docs/intercontrastable/2014/21 docs/intercontrastable/2014/21 docs/intercontrastable/2014/21 docs/intercontrastable/2014/21 docs/intercontrastable/2014/21 docs/intercontrastable/2014/21
D.	5	RR20136025T01000		444			444			· v			3,00%	Стом печесие	Licensee shall pay 344 of all reyalities and fore received from sublicenses.	Liceasce shall pay liceason a repairly of 3% of all goes average resulting from the use of the technology by Riceasce.	LICENSING AGREEMENT	http://www.scr.gov/Archives edges/debt/167913/0000075 52611000214/sext/fibres251_ 52611000214/sext/fibres251_ http://www.scr.gov/Archives edges/debt/167913/0001075 52611000214/sext/fib. 31720
		RR20146998T05008		44 44	444 4					<b>v</b>			7,50 %	Not revenue	Licensee shall pay to licensee following minimum regulation: \$3.500 for 2nd, year of the licensee, \$4.500 for 3nd, \$5.500 for 4nd, \$6.500 for 50, \$2.500 for the 6th and \$50, \$2.500 for the 6th and \$	Licensee shall pay to licensee a royalty of 7,5% of monthly and revenues.	PROPERTY LICENSE AGREEMENT	http://www.sec.gov/Archives ofens/Archive/1000444-000047 93214004879/nate_called.bd

# **Benchmarking studies**

A benchmarking study is a detailed comparison of publicly available licence agreements and royalty rates in order to determine the arm's length (market) royalty rate range for specific products or services. Following the search criteria provided by the client, we conduct a comparable uncontrolled price (CUP) analysis to determine an arm's length (market) range of royalty rates for the intellectual property licensing in this sector.

The search is performed in the RoyaltyRange proprietary database. Each report is supplemented with original non-redacted agreements, as well as filings or other types of documents from which the data is gathered.

The search process consists of the following stages, which are documented in the benchmarking study report in detail:

- Quantitative screening the search process yields a list of potentially comparable reports.
- Qualitative screening the sample is manually reviewed and the final set of reports is selected.
- Financial analysis the range of royalty rates for third-party licensing agreements, an interquartile arm's length (market) royalty rate range, and a median are calculated.

Our fee for performing a benchmarking study is **EUR 1,500** (plus VAT). This fee covers the preparation of a benchmarking study from A to Z, which consists of the following documents:

- A benchmarking study report presentation containing the description of the search, steps of the analysis and calculation of an arm's length royalty rate range.
- An appendix with a list of all primary reports used during the quantitative screening and a list of all final reports used during the qualitative screening.
- PDF sources of the original agreements, fillings or other types of documents used in the calculation of the royalty rate range.

The term for the preparation of one benchmarking study is about four working days after the payment.

For our clients who have a constant need for benchmarking studies for transactions involving intellectual property, we offer special discounts for acquiring sets of several benchmarking studies.

The presentation of the results can be tailored to the specific needs and formats of our clients and can follow their standard practice.

#### A study report presentation

#### **Executive Summary**



RoyaltyRange has been requested by Client to conduct CUP analysis to determine an arm's length range of royalty rates for intellectual property licensing for immunostimulant and other drugs. The search study was conducted using the RoyaltyRange proprietary database.

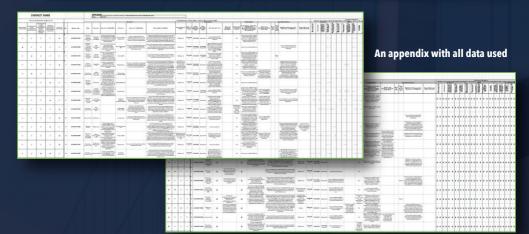
#### Results

The search resulted in 11 comparable third-party agreements associated with the licensing of intellectual property in the field under review.

Royalty rates for licensing agreements range from 1,00% to 7,75% with an interquartile arm's length royalty rate range of 2,22% to 5,75% and median of 5,00%.

Arm's length range of royalty rates Median

2,22 % - 5,75 % 5,00 %



#### Original sources of agreements in PDF



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We welcome the opportunity to discuss our services with you in greater detail by phone, email or online conference at your convenience. In the meantime, if you have any questions or comments, please do not hesitate to contact us.

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