

KOTEC Newsletter

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Korea Technology Finance Corporation
33 Munhyeon Geumyung-Ro, Nam-Gu, Busan, Korea 48400

KOTEC to participate in the pan-Europe technology appraisal model development project

- Output of the 3-year project to be used as European standard -

Korea Technology Finance Corporation (KOTEC) recently announced that it was selected as a participant for the project titled “Development of a technology appraisal model to support investment and financing decisions in innovative SMEs”, which is undertaken as a part of the Horizon 2020, the biggest research and innovation program led by the European Commission (EC).

The EC, the administrative body of the European Union (EU), has been exploring ways to facilitate commercialization of core technologies in Europe and preparing a project to improve technology appraisal tools in order to address information asymmetry and increase investment for companies with such technologies. In this regard, the EC noted KOTEC’s appraisal model, which can quantitatively assess the growth potential of innovative enterprises.

This new project will be executed by a consortium of 9 organizations, including KOTEC, Tech-Tour (Belgium), E&Y (Italy), and other institutions of EU member states. It is expected to last for 3 years with the investment of 3 million euros.

The project consists of ▲development of technology appraisal tools to promote investment and financing, ▲analysis of the tool's merits at the pan-EU level for innovative SMEs, and ▲pilot test of developed models and the like. Once the project is completed, the EC will use the newly-developed model as an evaluation tool to promote investment into innovative SMEs of 28 EU member states and 16 quasi-members..

KOTEC’s technology appraisal model was cited as a best practice by IPF Report, an investigative project of the EC, in June 2012. In April 2018, the European Investment Bank (EIB) report mentioned that KOTEC’s model is the one and

only example that quantifies innovative technology and recommended adoption thereof at the EU level.



A KOTEC official said, “our proprietary appraisal model has already been introduced to Vietnam, Thailand, and Peru by the government–led Knowledge Sharing Program (KSP). Now, as this new project introduces our model to the EU technology innovation policy, we expect that our technology will be globally recognized, which in turn will pave the way for Korean SMEs to enter the European market.”

KOTEC-KAIST co-host Tech Transfer Seminar for promising technology

- On both technology transfer and commercializing finance support at COEX (Seoul, Korea) -

Korea Technology Finance Corporation (KOTEC) and Korea Advanced Institute of Science and Technology (KAIST) co-hosted the “2018 KAIST CORE Tech Transfer Day” at COEX (Seoul, Korea) on September 10, 2018.



Since the two institutions signed an MOU in 2015 on Technology Transfer and Technology Finance Support, they have pursued technology transfer projects for KAIST-owned technologies. With 230 participants, including Executive Vice President Kang, Rack-kyu of KOTEC, President Shin, Sung-chul of KAIST, SME owners, and R&D executives, the seminar introduced promising core technologies developed by KAIST, such as ▲nano-patterning platform technology, ▲RNA oligonucleotide anticarcinogen candidate technology, ▲synthetic control sRNA technology, ▲hyperspectral camera technology, ▲AI-based upscaling technology, and ▲MOSFET technology.

This seminar also served as a networking venue where the developers of the 6 aforementioned technologies explained them in person and shared them with consumers. KOTEC has facilitated not only technology transfer but also finance support framework for technology commercialization, including technology transfer, additional R&D, and mass production financing, along with finance support consulting at the seminar.

KOTEC EVP Kang said, “KAIST is a top-notch research-oriented university in Korea that leads the nation’s science and technology development, and has made significant contribution to technology commercialization of SME venture businesses.” He added, “KOTEC will fully serve its roles to help SMEs receive

excellent technologies from public research institutions and succeed in the commercialization of them.”



KOTEC has been supporting technology transfer and commercialization between public research institutions and its client SMEs since 2009. With this program, KOTEC matches its clients with public institutions in order to ease trials and errors of SME venture businesses and promote commercialization of excellent technologies. In 2017 alone, KOTEC completed 725 cases of technology transfer and provided 60.8 billion won in guarantees for SME venture businesses that pursued technology commercialization.

KOTEC-KEB Hana Bank sign MOU for IP technology finance

- To facilitate IP-oriented commercialization and create jobs -

Korea Technology Finance Corporation (KOTEC) and KEB Hana Bank signed an MOU to increase financial support for intellectual properties (IPs), such as patents, at the KOTEC Head Office in Munhyeon-dong, Busan, Korea on July 18, 2018.



The key points of this MOU include ▲identifying and incubating excellent IP-holding companies, ▲providing working capital based on IP valuation, and ▲preferential support in terms of guarantee ratio and fee, etc. KEB Hana Bank will subsidize the fees that would be charged to the companies for IP valuation.

Having started technology finance for IPs through guarantees backed by IP valuation in 2006, KOTEC has expanded the program coverage to tangible and intangible technologies and expertise, not limited to patents, to promote IP startups and commercialization.

As a signature program of KOTEC to facilitate IP financing, guarantee backed by IP valuation provides additional guarantee support within the IP value (amount). This program enables SMEs with excellent IPs to secure working capital based on their future potential, regardless of their current revenue.

With this MOU, KOTEC and KEB Hana will provide IP commercialization financing for excellent IP-holding companies and expect to promote growth of innovative firms that will have significant impact on both job and value creation.



Executive Director Kwak, Young-cheol of KOTEC said, “IP financing is an essential lubricating oil that transforms IP potential into real products or services, and its value is getting more significant day by day.” He added, “KOTEC will continue to make its utmost effort to create an IP financing ecosystem.”