



ACACIA RESEARCH

Q1 2020 Earnings Presentation
May 11, 2020

SAFE HARBOR

This presentation may contain forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed herein in any forward-looking statements as a result of various factors and uncertainties, including recent economic factors impacting our products and investments; changes in global markets; recent health issues impacting every aspect of global business; rapid technological change; changes in demand for our future products; legislative, regulatory and competitive developments in our area of business; and general economic conditions. Our Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K and 8-K/A, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

Q1 SUMMARY

Advancing Absolute Return Strategy

- Focus on growing book value and leveraging our substantial NOLs and capital partnership with Starboard.
- Actively evaluating corporate development opportunities with Starboard
- Strategic Committee of the board is meeting regularly
 - Recent market volatility has opened many opportunities that are being evaluated
- Restarted IP Assertion Engine

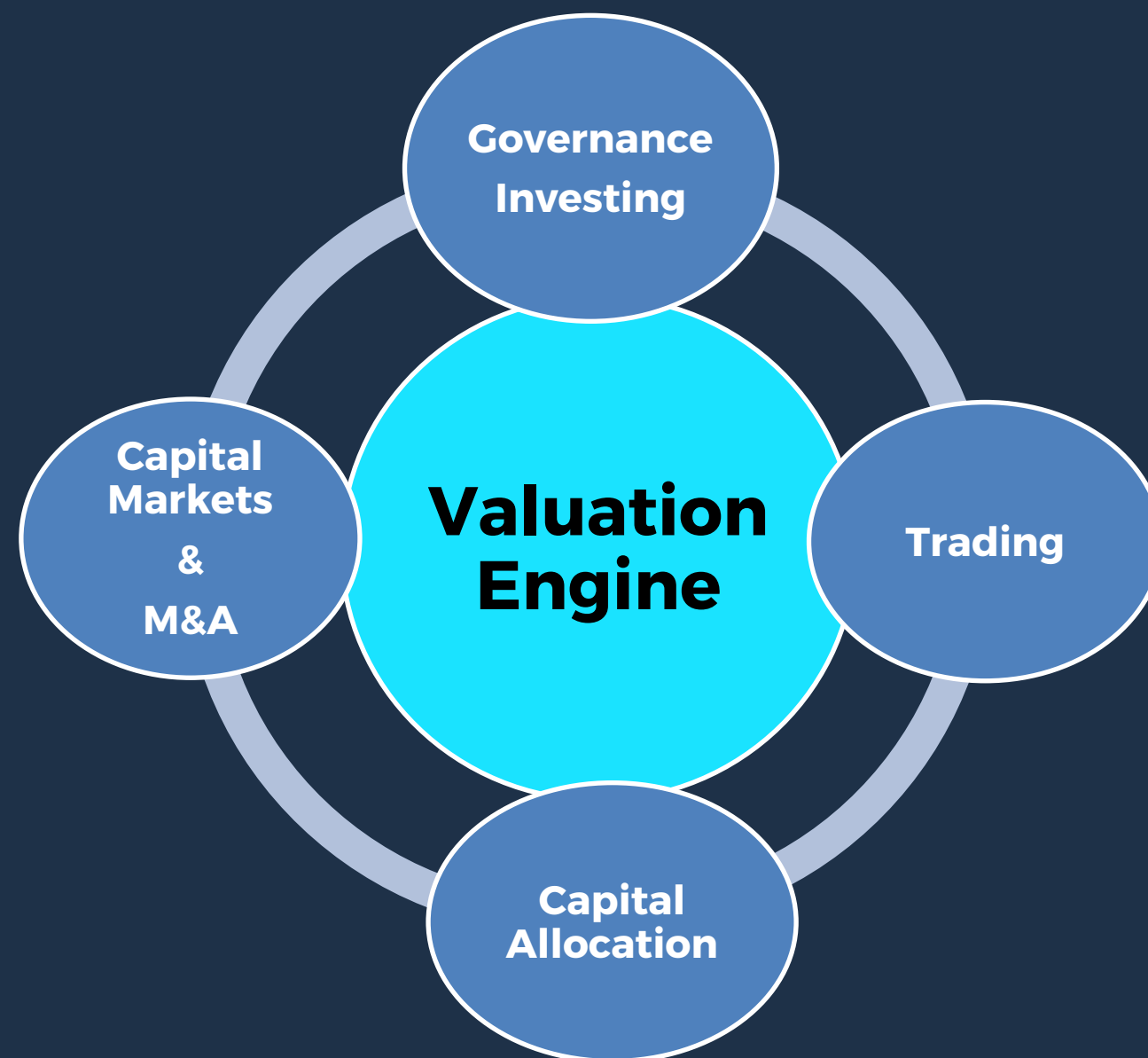
Enhanced IP Portfolio with Two Acquisitions

- Acquired assets offer an attractive blend of licensing and litigation opportunities to pursue
- Additions expected to begin generating licensing revenues in Q2 with significant contribution beginning in 2021

A COMMON FRAMEWORK FOR UNIQUE INVESTMENT OPPORTUNITIES

Valuable Assets + Complex Extraneous Issues = Value Dislocations

Acacia Skill Sets



Absolute Return Investment Platform



IP INVESTMENT APPROACH & BUSINESS UPDATE

IP INVESTING SUMMARY

- Current IP team's leadership has track record for generating positive returns in all environments
- Environment now healthier – less capital, litigation backdrop improving
- Leveraging IP brand equity to be an effective patent licensor
- Strategy incorporates soft licensing opportunities (more predictable, faster return of capital) with incremental exposure to higher return litigation opportunities
- Leverage revitalized efforts to drive increased awareness among patent owners

HISTORICAL PERSPECTIVE: 2000 - 2012

A CLASSIC ASSET BUBBLE CREATED....

Excess Capital Entered the Market

\$6Bn+ in capital raised by IP investment management entities during 2000-2012



Patent Portfolio Deal Sizes Rose (*price / patent*)

Patent sales between 2000 - 2010 were generally @ ~\$150-200K/patent

HISTORICAL PERSPECTIVE: 2012 - 2013

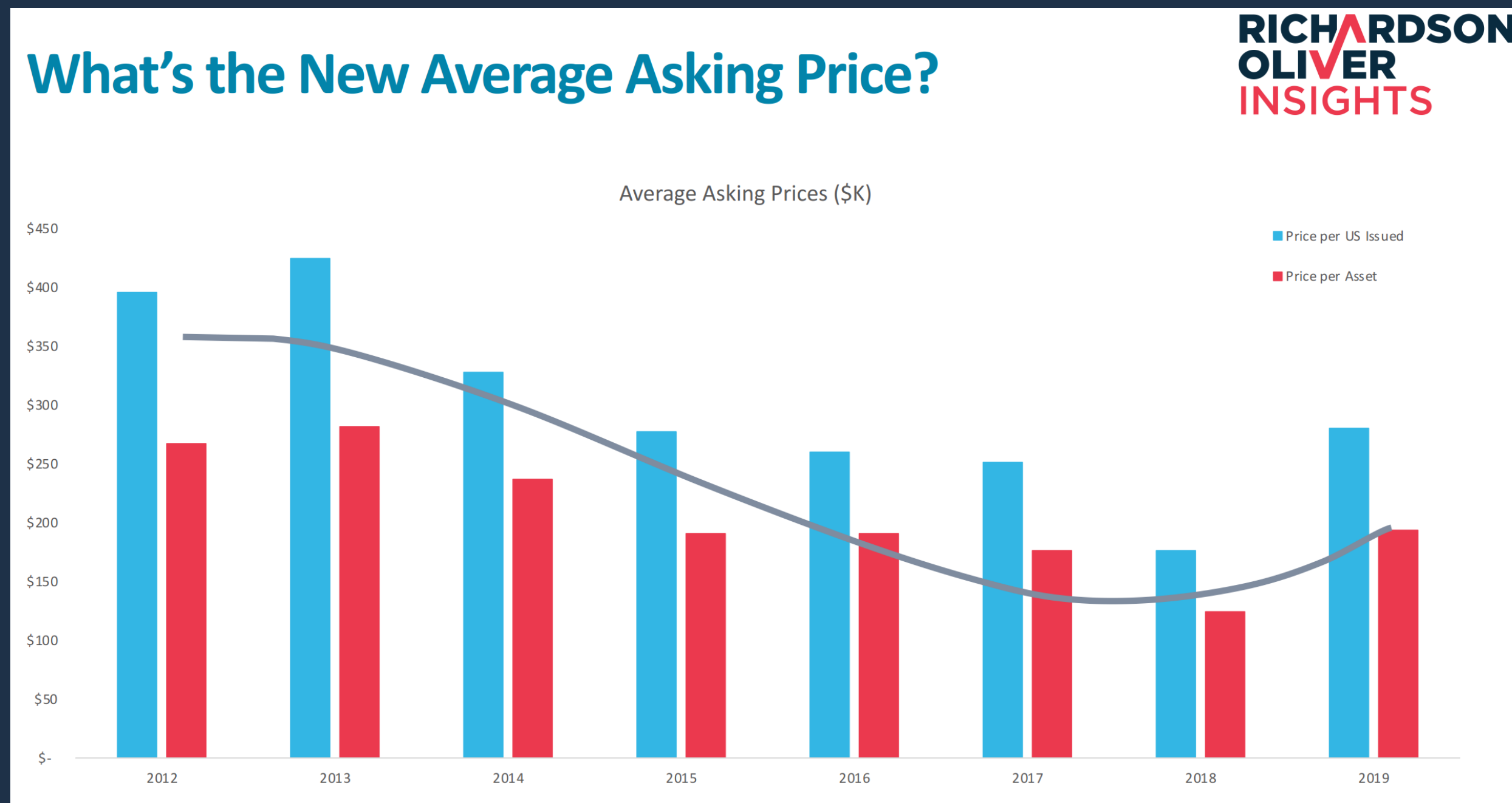
... BUT THEN IT BURST

Changes in the regulatory and legal environment led to sharp reductions in patent valuations

- **2011** -- AIA passed
- **2012** -- Inter-Partes Review (IPR) process introduced (a new level of post grant review)
- **2014** -- Alice v. CLS Bank Supreme Court decision constrained patented subject matter
- **2015** – Leadership changes at the USPTO

PATENT PRICES HAVE BOTTOMED, BUT STILL WELL BELOW PEAK

Prices fell from \$350K/patent in 2012 to \$150K/patent in 2017



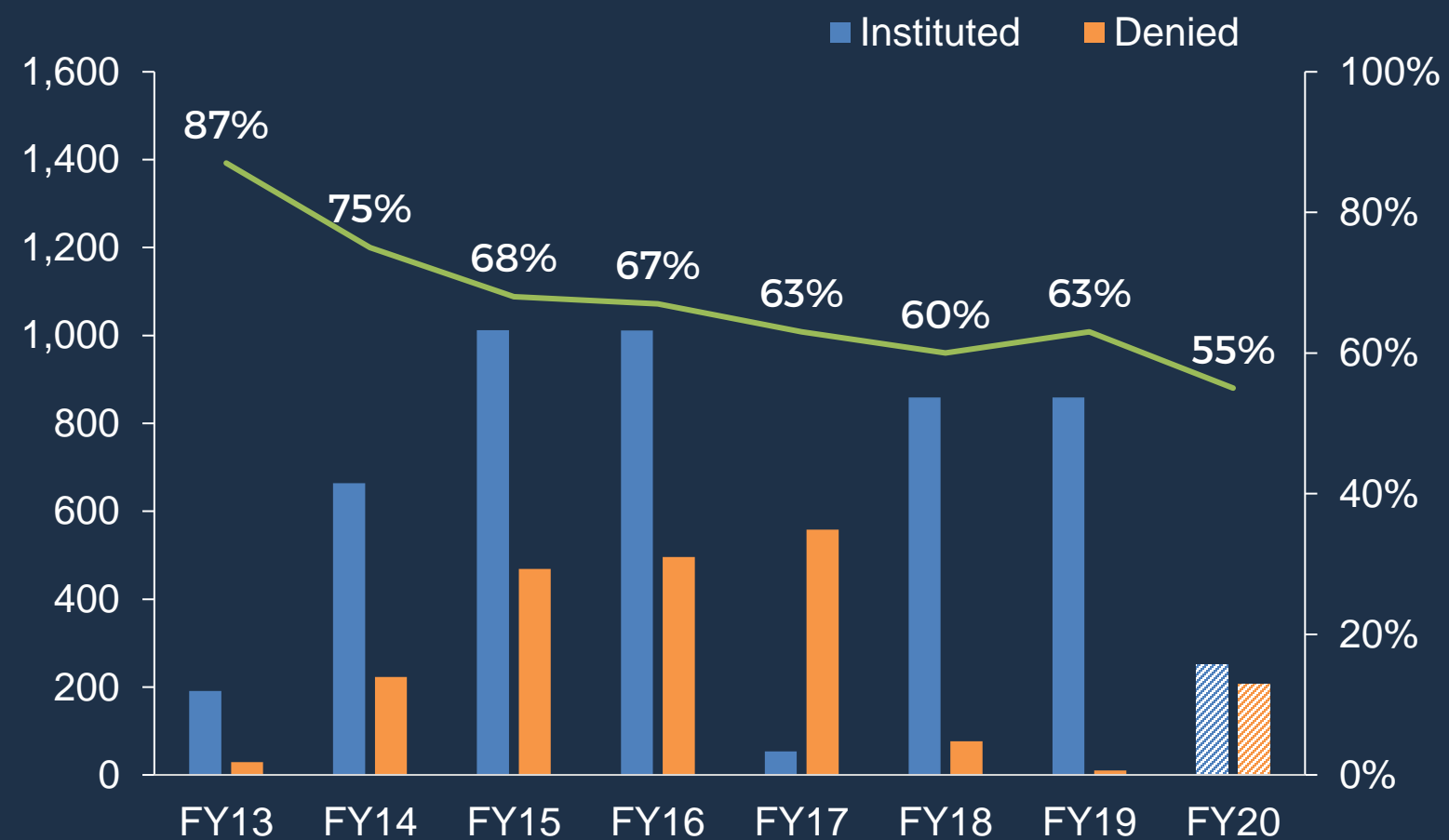
REGULATORY / LEGAL ENVIORNMENT HAS IMPROVED

Fewer patents are reviewed at IPR for invalidation-of those reviewed, a smaller percentage are invalidated

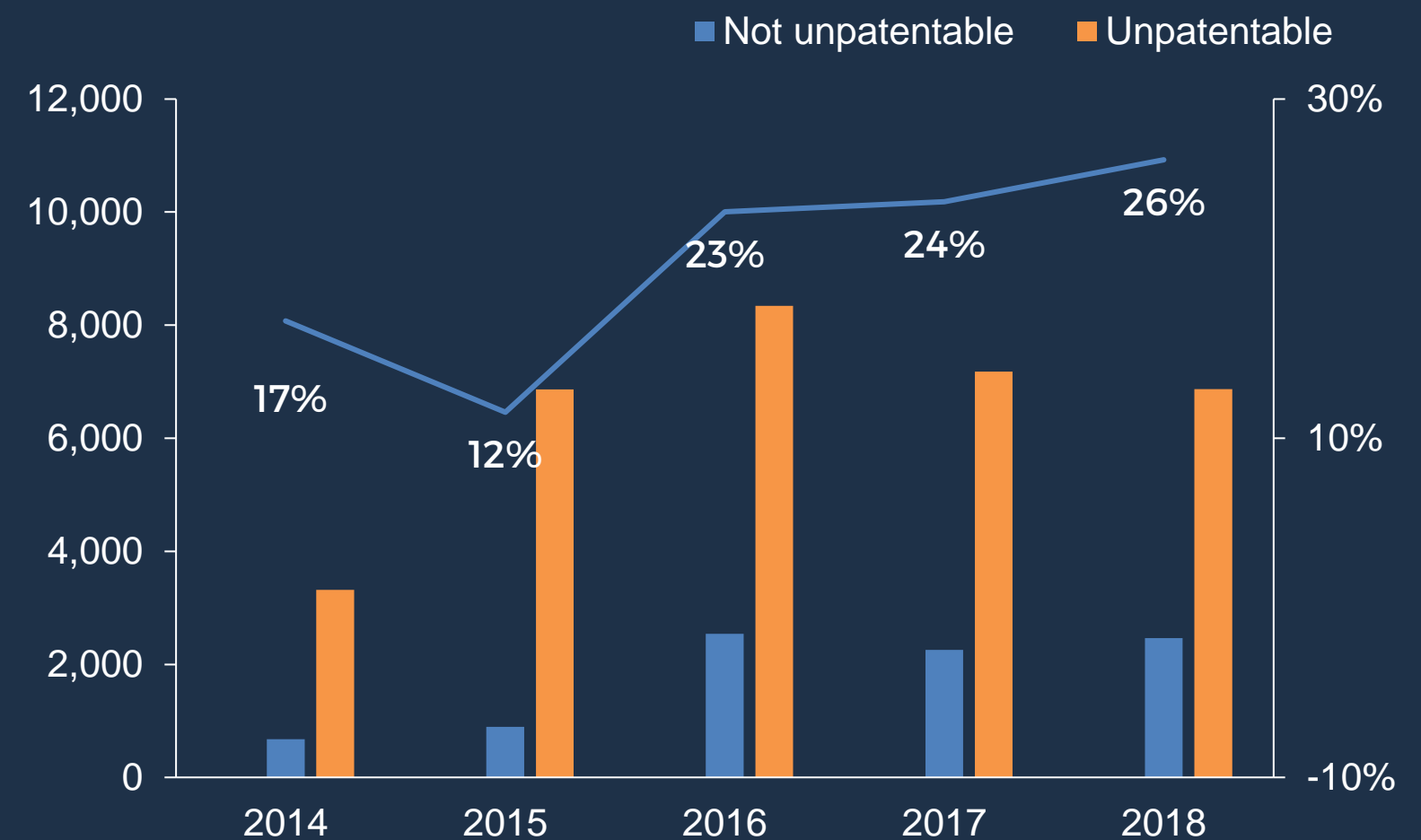
Fewer patents reviewed at IPR for invalidation

Of those invalidation claims have declined

Institution Rates
(FY13 to FY20: Oct. 1, 2012 to Feb. 29, 2020)



Determinations of Claims in Final Written Decisions



Institution rate for each fiscal year is calculated by dividing petitions instituted by decisions on institution (i.e. petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded

ACACIA's IP Asset base

- **Core IP Team**
 - Highly skilled and experienced
 - Very efficient and able to leverage for scale
 - IP expertise can be leveraged to diligence other corporate opportunities
- **Well recognized as an aggressive assertion entity**
- **Company is well capitalized**
 - Can move quickly on market opportunities
 - Committed to remaining a well-capitalized counterparty

2020 PORTFOLIO ACQUISITIONS TO DATE

- 3 Portfolios Acquired – Fusion IO, L3Harris, Excalibur
- Diversified balance of soft licensing, litigation-driven revenue
- Soft licensing expected to deliver attractive near-term returns over 6-18 months
- Litigation provides incremental and outsized returns over long-term

ACCESS TO CAPITAL

AS OF MARCH 31, 2020 (IN \$ MILLIONS)

UNRESTRICTED CASH, LIQUID SECURITIES		158
RESTRICTED CASH (STARBOARD PREFERRED)		35
NOTES TO BE ISSUED TO STARTBOARD	<i>(up to)</i>	365
NOTES TO BE ISSUED TO ACTG SHAREHOLDERS	<i>(up to)</i>	100
TOTAL AVAILABLE CAPITAL		\$658