



SciVentures Pre-Seed Fund

- Commercializing Inventions Conference

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Pre-Seed Fund Program

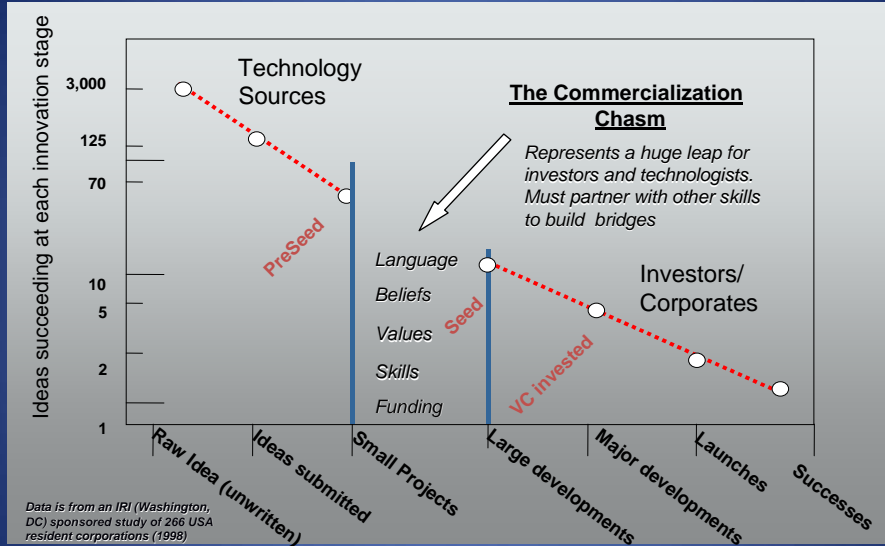
- PSF concept outlined in *Backing Australia's Ability* (2001)
 - ✦ Take federally funded public sector research outcomes and form Australian start-ups
- Four PSF licensees established in 2002
 - ✦ Investment 1/3 private : 2/3 Federal Government (i.e., repayable gov't \$s, not a grant!)
 - ✦ Now over half way through the 10 year closed end trust term of the four funds
 - ✦ Funds now almost fully invested
 - ✦ However, investment returns mostly still to come
- SciVentures has made 17 investments
 - ✦ But stopped 7 – mostly quite early, as competitive issues became evident
 - ✦ Of continuing ventures, about 1/2 show high promise, 1/2 require significant further work

PSF – converting public sector research outcomes into ventures

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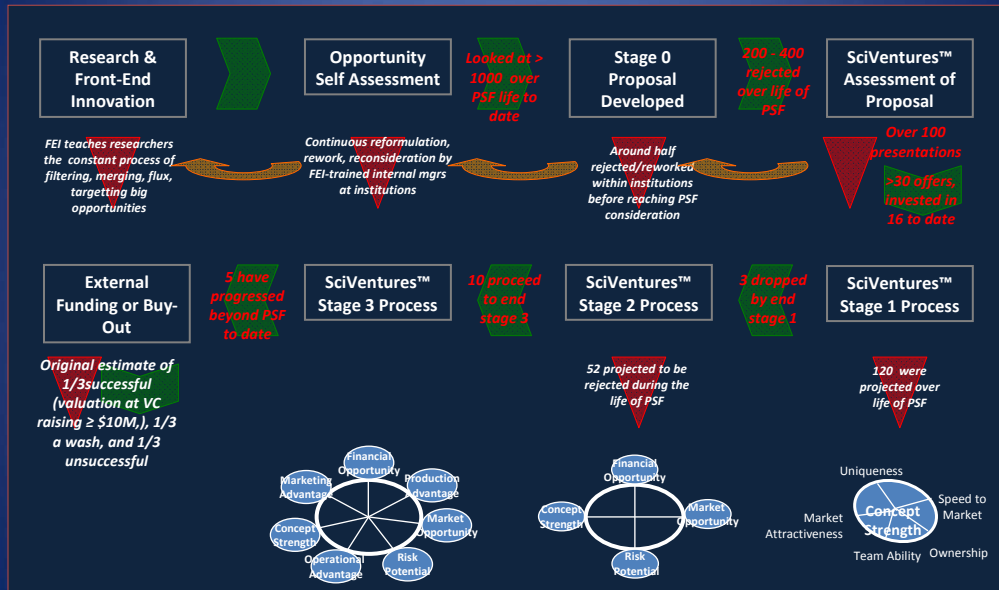
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Commercialization Chasm



Pre-Seed stage is not just about IP or funding, but also mentoring researchers, & developing research outcomes to become commercially attractive opportunities

SciVentures PSF Process



SciVentures Deliberately Selects its Ventures Across a Range of Technologies

THREE EXAMPLES :

○ ITC

◇ *Cohda Wireless Pty Ltd*

○ Environmental / Cleantech

◇ *Aqua Diagnostic Pty Ltd*

○ Biotech

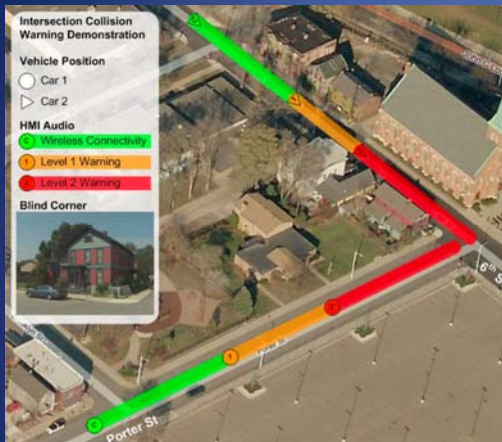
◇ *Avipep Pty Ltd*

Diversification helps balance industry specific long term investment risks

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Cohda Wireless



Blind corner collision avoidance demonstration

- ◇ From UniSA – 3 key inventions
- ◇ Reconfigured Cohda bus. model after poor traction for licensing model
- ◇ 10,000 kms of trials/demos on road in AU, USA & EU for V-2-V & V-2-I show Cohda has a major advance
- ◇ Keen auto industry-wide interest in USA & EU, despite poor economic climate
- ◇ Provision of advanced prototypes to numerous auto industry customers
- ◇ Now >> 20 patents pending – most conceived during course of investment

Industry transactions provide catalyst for growth & eventual realization

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Aqua Diagnostic

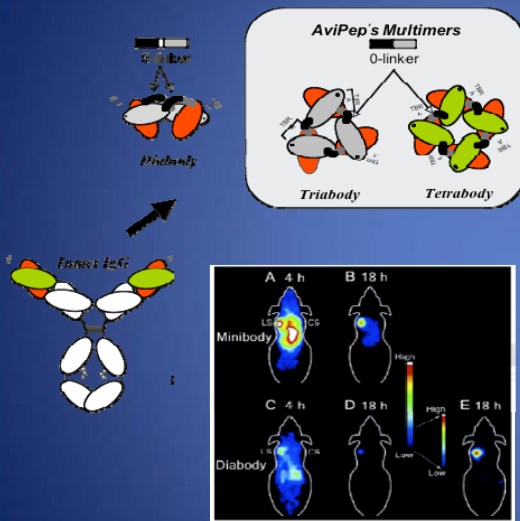


Photos: Original L100 (lab unit), commercial L 100 unit and on-line layout in a MWWTP

- o From Griffith University
- o Successful lab and on-line trials conducted in AU, USA and EU
- o Commercial sales marketed under Aqua brand
- o Capital raised in 2008 to take Co. to break-even
- o Anticipate successful high margin sales bus. in < 5 yrs
- o Likely IPO and/or trade sale
- o 80+% of Aqua's IP created during course of investment

Starting from lab demo, have grown global venture with international sales

Avipep



- o From CSIRO
 - Strong IP position
- o Next gen antibody-like platforms for imaging & therapy
 - Trials at hospitals in USA
 - Research agreement with a US major
 - Other licensing and trial agreements
 - Completed interim round capital in '08; larger round now anticipated
- o Comparable Co's / Techs exist
 - Most more clinically advanced
 - Completing significant trade sales
- o Anticipate potential for trade sale, or IPO in '09 - '10

Potentially a huge opportunity – all about milestone accomplishment

SciVentures PSF Experience

- About 1/3 of SciVentures PSF investments have potential for good returns
- Others need considerable work to become significant
- Early kills of unlikely ventures
 - ✦ *Worked most times*
 - ✦ *But, some unanticipated consequent issues*
- SciVentures PSF still seeking new opportunities
 - ✦ *Given limited remaining term, only considering additive or synergistic opportunities to existing investments*

Early stage is often not as rapid as desired & route to commercial success not always totally evident

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Public Sector Research Interactions

- Changing view on value of “commercialization” at some Universities
 - ✦ *Including with some of our investing Universities*
- Inflated early-stage valuation perceptions, pre-investment
- Core IP critical to decision process, but people interests even more so
- Recognition of pre-work required before any decision re investment
- Emerging institution-specific, semi-internal early stage funds
 - ✦ *Opportunities for co-investment, but how do these funds manage evident Col's?*
- Existing PSF fund managers perceive need to broaden investment eligibility criteria for a further PSF program

Pre-Seed certainly isn't a typical VC environment

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