



IMPRIMATUR
CAPITAL

Practical Partnership

Wroclaw, June 2010

Imprimatur Capital



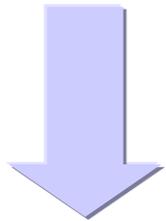
IMPRIMATUR
CAPITAL

Source IP from universities
- worldwide
- through long-term relationships

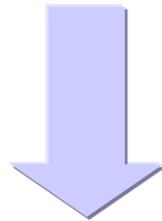
Provide detailed commercial analysis
- ask the hard questions using industry and technical experts

Establish the business
- seed the business
- align technical development with funding and human capital strategy

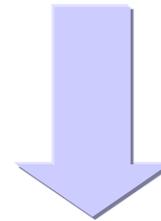
De-risk the company
- minimizing CAPEX
- providing follow-on funding to speed commercialization



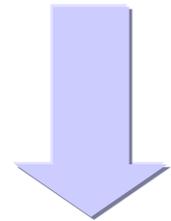
Build and manage a diversified source of deals. Minimize transaction costs.



Focus on commercially valuable not technically cool opportunities



Build a fundable business with a sense of urgency about getting to market



**Actively manage risk
Aim to fail fast and fail cheap**

International Network



Culture, Capacity, Capability



IMPRIMATUR
CAPITAL

THE ESTONIAN ECONOMY COMPETITIVENESS & FUTURE OUTLOOKS

R&D and Innovation Policy Review



The Regional Dimension



IMPRIMATUR
CAPITAL



The Northern Dimension Working Group on Innovation (NDWGI):

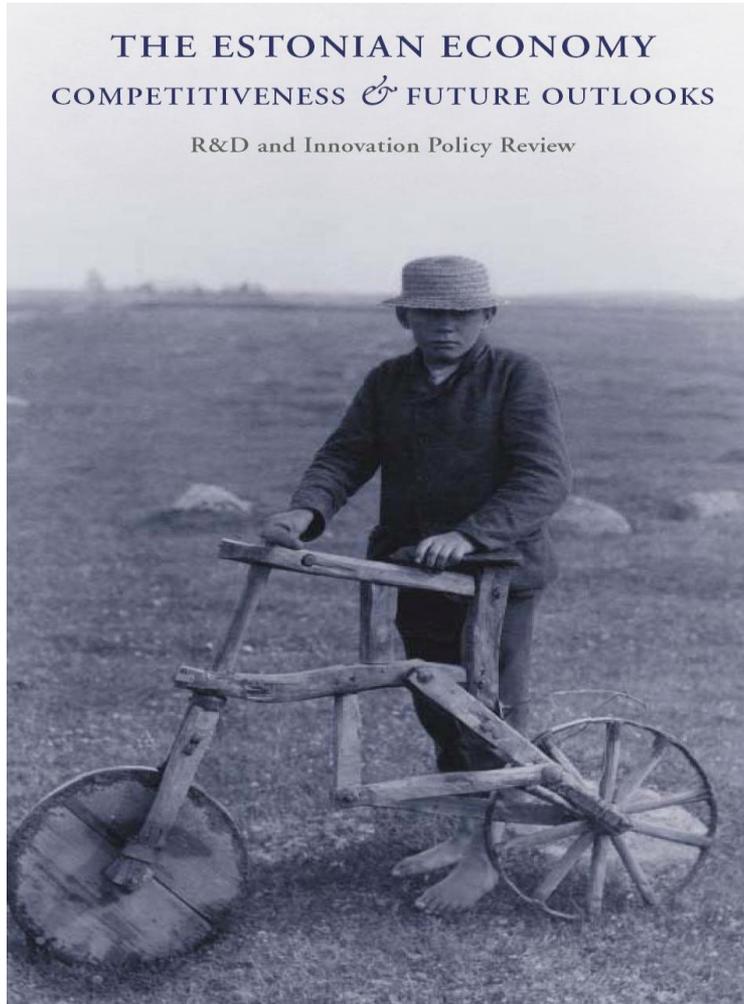
- Market driven innovation;
- Cluster development;
- Entrepreneurship.

The State of the Region Report 2005, Competitiveness and
Cooperation in the Baltic Sea Region

Support – Fit for Purpose?



IMPRIMATUR
CAPITAL

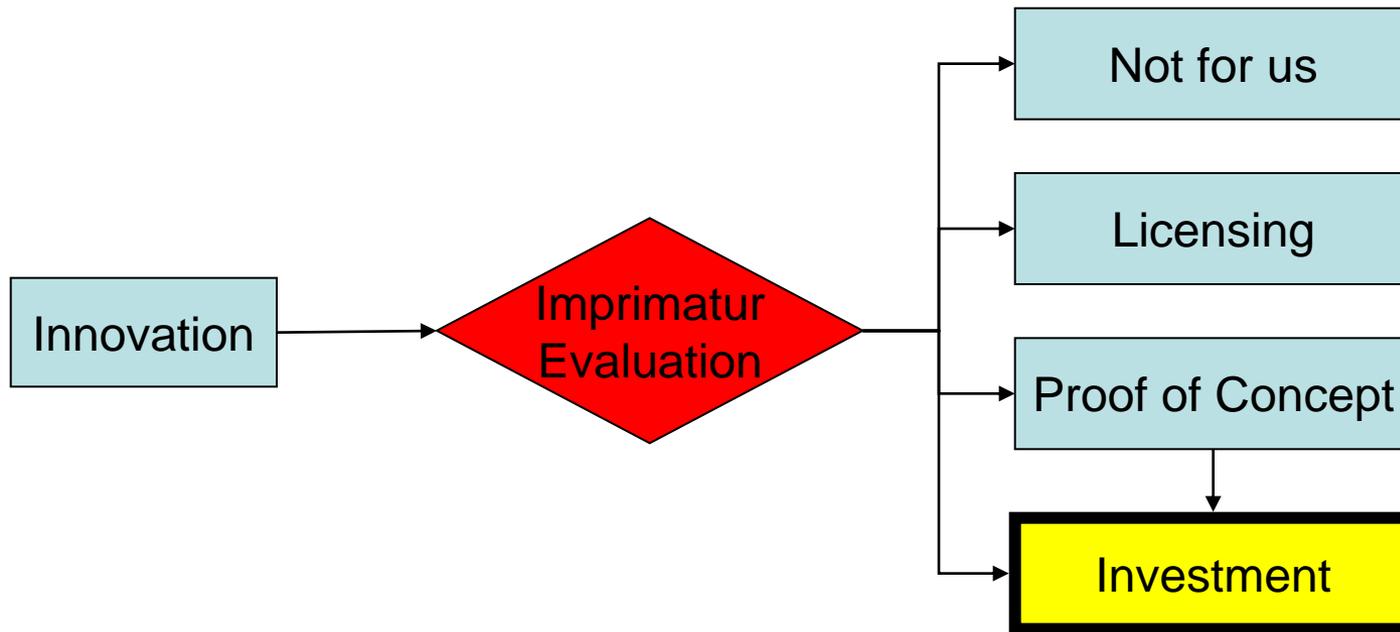


- Turbulent recent history
- Limited resources
- Generation gap
- Underdeveloped public funding
- ...but intervention is developing rapidly
- National interest

Evaluation Process



IMPRIMATUR
CAPITAL



Feedback - Working in Partnership



IMPRIMATUR
CAPITAL

.....Technical University/Institute (Russia)
Feedback Cover Note

Intro Manager:	Alex Kvashnin
Reference:	100088 - RUS-NOV
Disclosure Date:	20-Oct-07
Review End Date:	20-Jan-2008
Title:	Novel device for.....
Author/Academic:	Professor.....
Recommendations:	? NO - Not a Potential Investment for IC. Or ? YES - a Potential Investment for IC.
External Adviser Network Used:	? Advice sought from an IC External Adviser;
Feedback Notes:	<ul style="list-style-type: none">• Limited Market Potential: Confirmed by IC's External Advisers, the technology is viable for the industry), but the comparatively low selling price and volume sales represent only a small market opportunity with limited return for an external investor.• High barriers to entry: strong entrenched competition, already providing an existing solution, with scope for reducing their costs, and ability to undercut proposed pricing.• High adoption costs: the technology would require a prohibitively high investment in manufacturing equipment and customer re-tooling, which would not be offset by the long-term return.• IP Position: Limited scope for IP protection. The core IP is no longer under valid international patents. National patents dated 2000 - no PCT filing.
Reviewer:	
Date of Feedback:	30-Jan-2008

“Yes for us” OR “Not for us”
as a potential investment.

May be potential for local
business serving national
market.

Recommend looking at
grouping technologies and
IP in this area.

Initial Assessment



IMPRIMATUR
CAPITAL

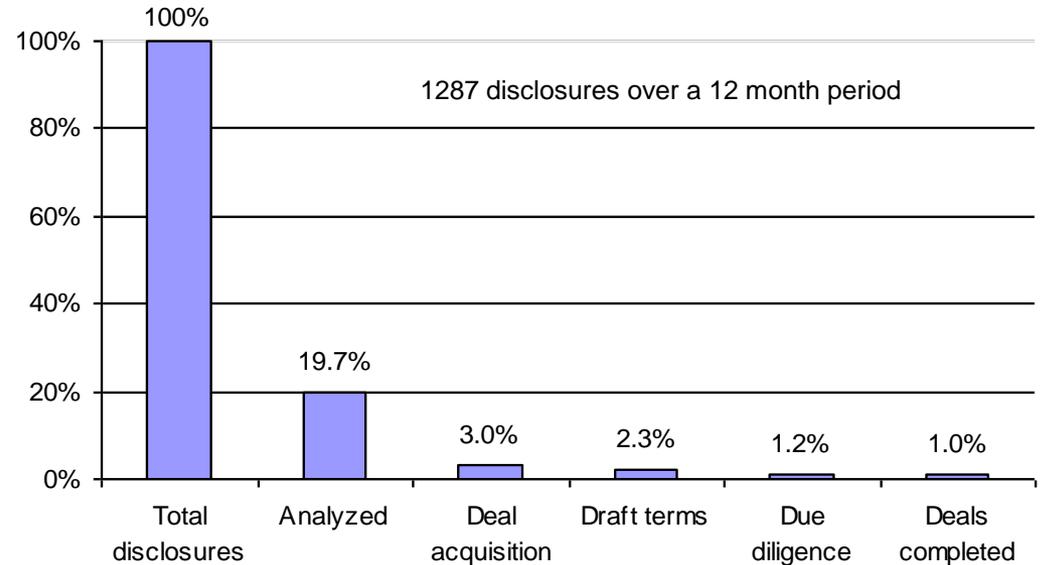
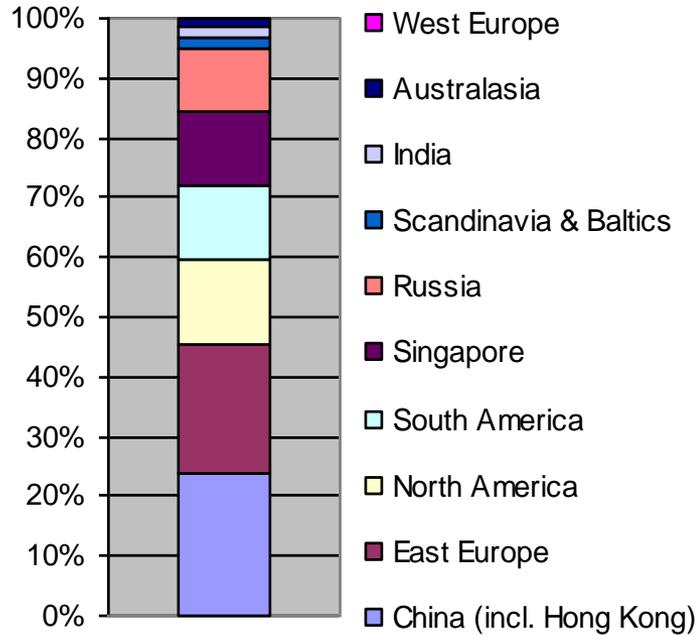
- Inventor(s) aware of commercialization process.
- Degree of novelty - **do similar technologies exist ?**
- Intellectual property - **freedom to operate ?**
- ?** Technical feasibility - **scale up, industry standards?**
- ?** Route-to-market feasibility - **entry barriers ?**
- ?** Growth potential - **not just a cheaper option.**
- ?** Potential for attracting follow-on investors.

Managing Expectations



IMPRIMATUR
CAPITAL

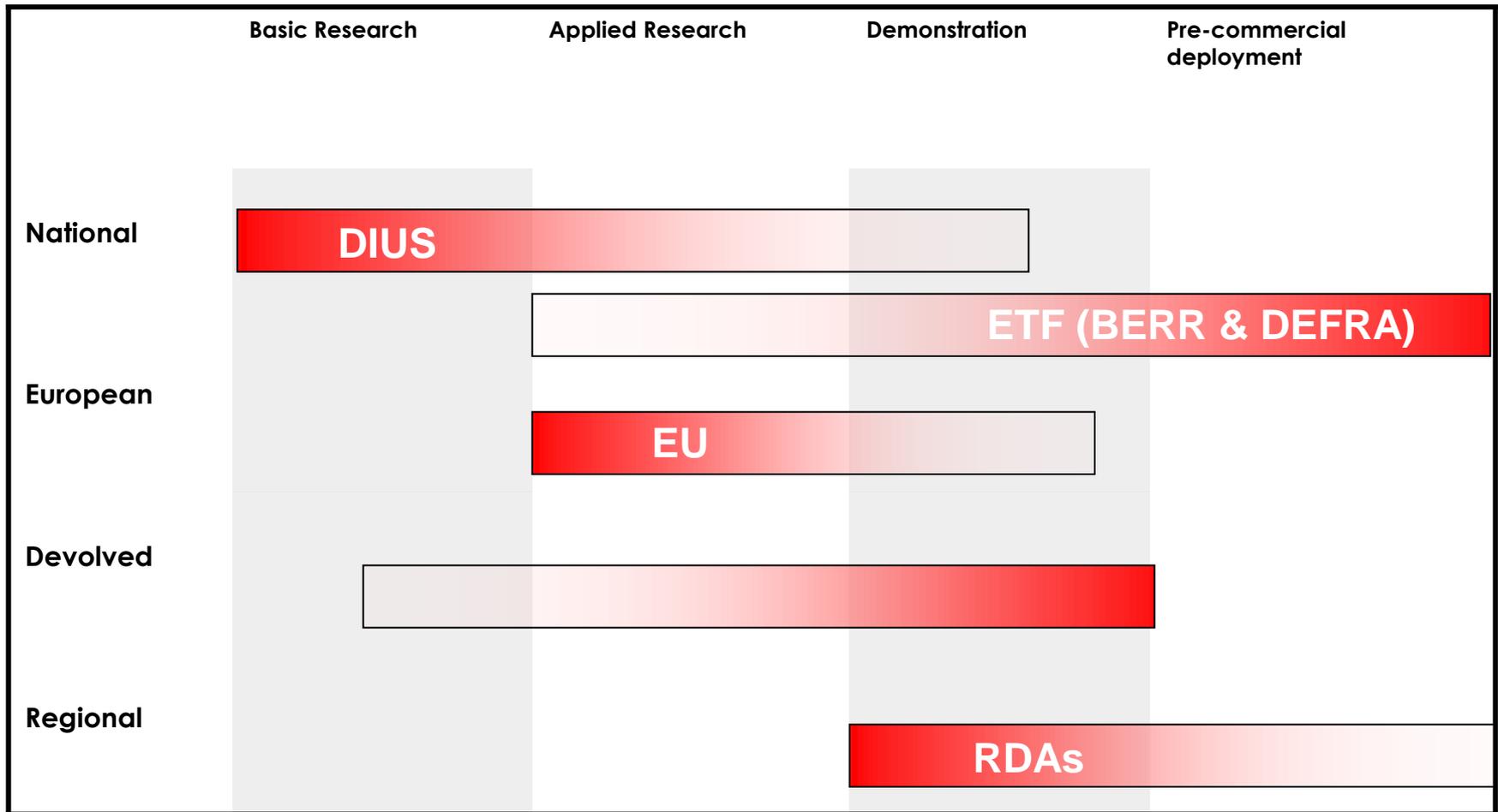
Disclosures by region



Leveraging Public Money



IMPRIMATUR
CAPITAL



BERR 2008

To Encourage Entrepreneurialism.....



IMPRIMATUR
CAPITAL

Confirm competence.

Support skill development.

Facilitate future developments.

Craig McInnis, *Higher Education Management*, **13:2**, 2001

Imprimatur Capital case study: BigDNA



IMPRIMATUR
CAPITAL

Sector	Biotech: vaccines
Investment	Jul-07: cUS\$400,000 for 34.5% equity Aug-08: cUS\$185,000 increasing equity to 37.4% Oct-08: cUS\$2.3m external round of which IC invested c\$80k, giving 31.5% equity Jan-10: cUS\$3.2m external round , diluting IC to 23.6% equity
Advantages	<ul style="list-style-type: none">▪ Faster, cheaper vaccine development and manufacturing▪ Oral delivery▪ No need for refrigeration

Progress

- Exec, non-exec and advisory team appointed
- Platform development and industrial-scale manufacturing on-track
- Vaccine candidates selected and development started
- Strong patent asset base secured
- Last funding round completed at 14 x initial valuation

Next phase

- Complete platform development
- Complete pre-clinical work for initial vaccine candidate
- Perform proof-in-man study to confirm immunogenicity and safety
- Possible exit and significant fund-raising at this point

Imprimatur Capital case study: DSimLab



IMPRIMATUR
CAPITAL

Sector	Enterprise software
Investment	Feb 2008: cUS\$580,000 for 30.8% Feb 2010: cUS\$347,000 external round , diluting IC to 28.2% equity
Advantages	<ul style="list-style-type: none">▪ Simulation-based decision-support solutions for complex inventory management▪ Targeting aerospace, semiconductor manufacturing and container terminal operations.

Progress

- 10-year contract with OEMServices (JV between Diehl Aerospace, Liebherr, Thales and Zodiac) in February 2008. Optimises Airbus A380 parts for customers Singapore Airlines and Emirates.
- Contract with a major German semiconductor manufacturer to provide shop-floor performance optimisation.
- Advanced engagements with a leading aircraft manufacturer and a leading engine manufacturer.

Next phase

- Expand civil aviation customers
- Accelerate growth in semiconductor market and military aviation market.
- Currently in negotiation with two trade investors looking to take 10-25% stake in the company at approx 8x initial valuation.

Imprimatur Capital case study: QS Biodiesel



IMPRIMATUR
CAPITAL

Sector	Cleantech: biofuels
Investment	July 2006: cUS\$407,000 for 55% equity April 2010: conversion of 2 loans totalling c.US\$100,000, increasing IC equity stake to 58.8%
Advantages	<ul style="list-style-type: none">▪ Shifts batch production process to continuous process▪ Major reduction in energy requirements and plant size, leading to significant capital and operational costs

Progress

- Long-term partnership signed with major engineering services company
- Global patent asset base secured
- Demonstration plant under construction in Illinois

Next phase

- Complete scale-up development work
- Secure investment round at 13 x initial valuation
- Build 300,000 tonne per year full-scale plant