



*listen to the problem-rich environment
come up with an idea ... then another one ...
find people who can help you succeed*



listen to the problem-rich environment

- 1. Form groups (3 – 4 people per group)**
- 2. Come up with 4 – 5 challenges or problems in the food area**
- 3. Write each idea on a PostIt note (ONE idea per PostIt Note – you should have at least 4 PostIt notes)**



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4. Tell us your one or two favourite challenges or problems



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2. Come up with 4 – 5 challenges or problems in the food area
3. Write each idea on a PostIt note (ONE idea per PostIt Note – you should have at least 4 PostIt notes)
4. Tell us your one or two favourite challenges or problems
5. Bring your challenges to the front and group with others'



come up with an idea ... then another one ...

- 1. STAY IN THE SAME GROUPS!**
- 2. Choose one problem or challenge YOUR GROUP would like to work on**

YOU CAN CHOOSE ANY CHALLENGE ON THE BOARD – YOU ARE NOT LIMITED TO THE ONES YOUR GROUP ORIGINALLY CAME UP WITH

WRITE STUFF DOWN! YOU ARE GOING TO HAVE TO TELL US ABOUT IT!



come up with an idea ... then another one ...

- 1. STAY IN THE SAME GROUPS!**
- 2. Choose one problem or challenge YOUR GROUP would like to work on**
- 3. In your groups, come up with some ideas for how you might solve this challenge**

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1. STAY IN THE SAME GROUPS!



Innovent Presentation 21 August 2018



Pacific Channel engages with innovators to form and build groundbreaking technology companies solving worthwhile problems.

We invest in these companies in their early stages and provide them with further support to enable growth.

Team



Dr Gary Pace
Chairman



Brent Ogilvie
Managing Director



Kieran Jina
Senior Associate



Lachlan Nixon
Associate



Dr Tina Tian
Greater China Manager



Perzaan Mehta
Analyst



Dr Roland Toder
Life Sciences Adviser



Blair Pritchard
Clean-Tech Adviser

What Motivates Us?



Innovation

People passionate about addressing a worthwhile problem



Growth

Creating wealth and building talent for our innovators, co-investors and New Zealand



Impact

Ventures that make the world a better place

Specialisation

Pacific Channel has a total of 26 portfolio companies.

They are 'deep tech' companies in the following sectors:



Life Sciences

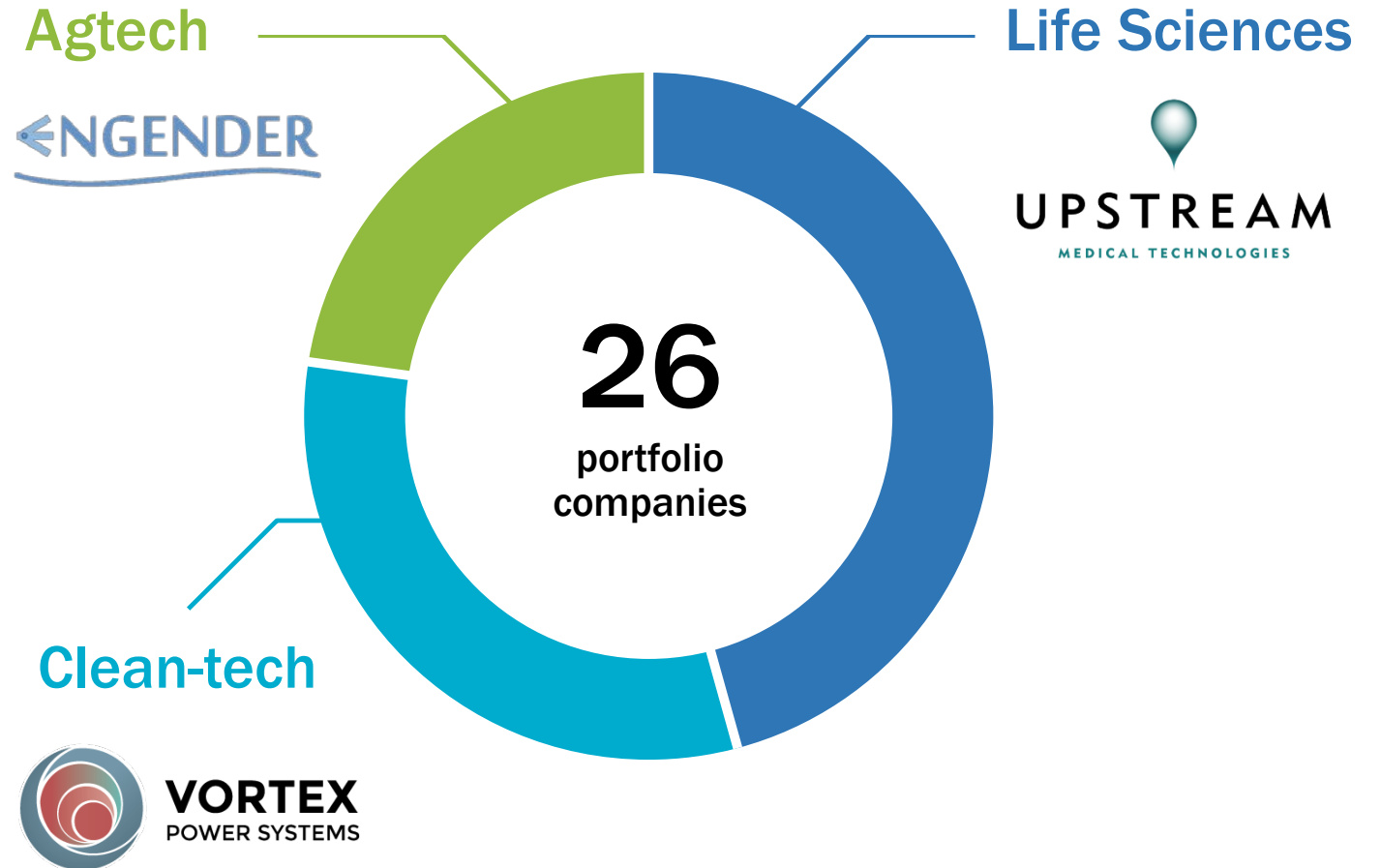


Agtech



Clean-tech

Portfolio Companies



Tech Company Cycle



Pacific Channel aims to provide value at each stage of this cycle

Company Formation

Pacific Channel forms new companies around ground-breaking intellectual property.

Our sources of IP:

— Universities

— Crown Research Institutes

— Corporates

— Innovators in garages

Company Formation

Pacific Channel forms new companies around ground-breaking intellectual property.

What do we provide in this process?

- Establish business model and set commercial direction
- Validate market
- IP development
- Technology transfer and commercialisation expertise
- Extensive networks within our “ecosystem” (people, strategic partners, other investors etc.)
- Entrepreneurial ‘jump start’ team
- Establish a management team and board of directors

Investment — Our Fund

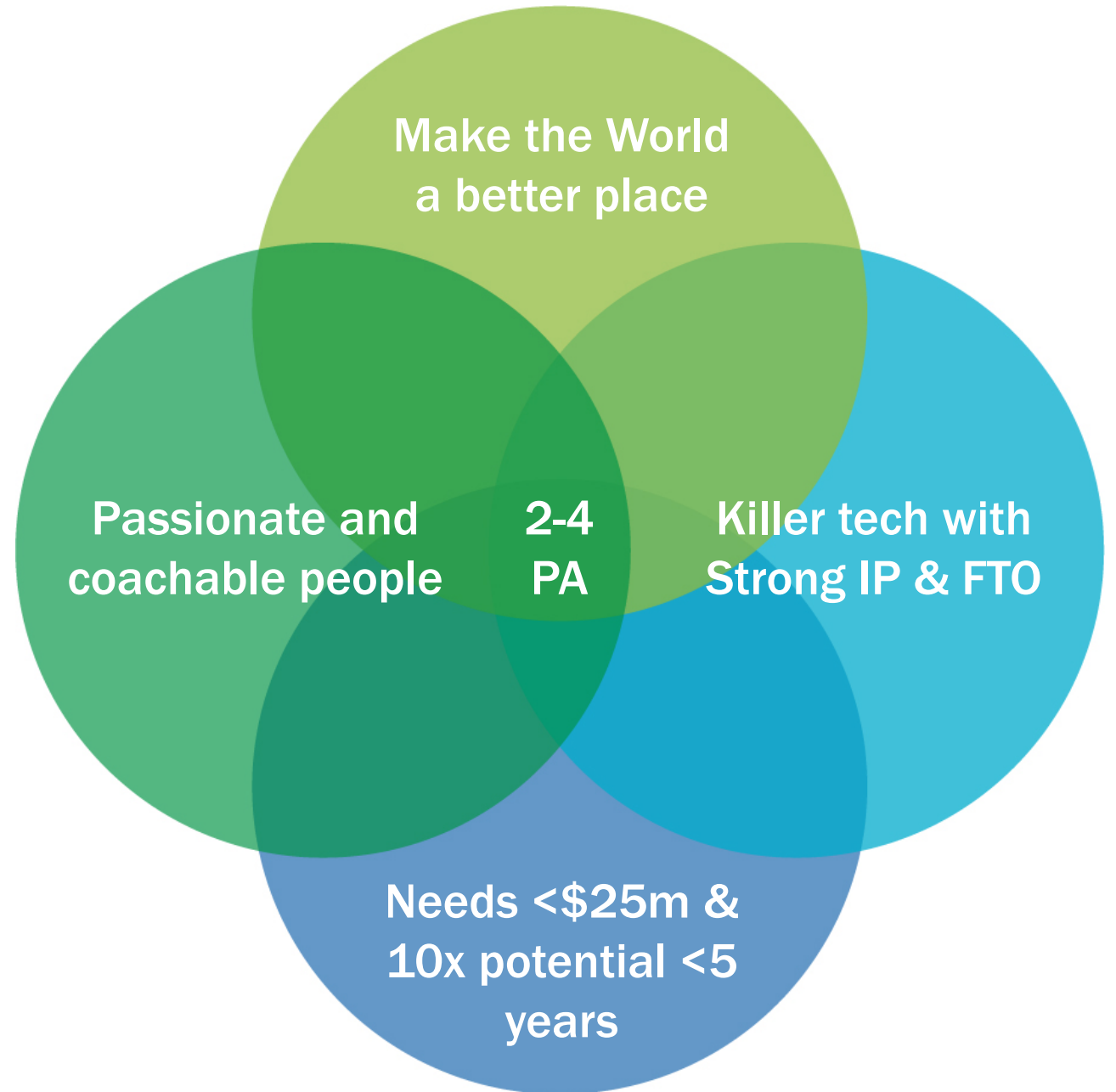
- Pacific Channel manages its own 'evergreen' seed investment fund
- Typical investment of NZ\$100k - \$200k
- Generally the lead investor
- Typical round size of \$500,000 - \$1,000,000
- Invests at the pre-seed or seed stages
- Invests both into companies that Pacific Channel has helped form as well as other promising new technology companies
- Syndicates with other early stage investors including the NZVIF SCIF Fund
- Able to underwrite capital raises where appropriate

Investment — Our Criteria

- Technology that addresses a strong and validated unmet need;
- Technical proof-of-concept;
- Freedom to operate;
- Strong management & governance;
- Coachable and passionate entrepreneur;
- Excellent strategy & business model;
- An area in which we have specific expertise and can provide value;
- A plan to generate a return.



Investment — Our Criteria



Growth

Pacific Channel provides the following support post-investment to its portfolio companies:

Capital Raising

Where Pacific Channel is the lead investor or an existing shareholder

Business Growth

Management, operational, business, financial and commercial development

Grant Funding

Aggressively pursue non-dilutive grants for portfolio companies

M&A

Divestments and acquisitions

Corporate Advisory

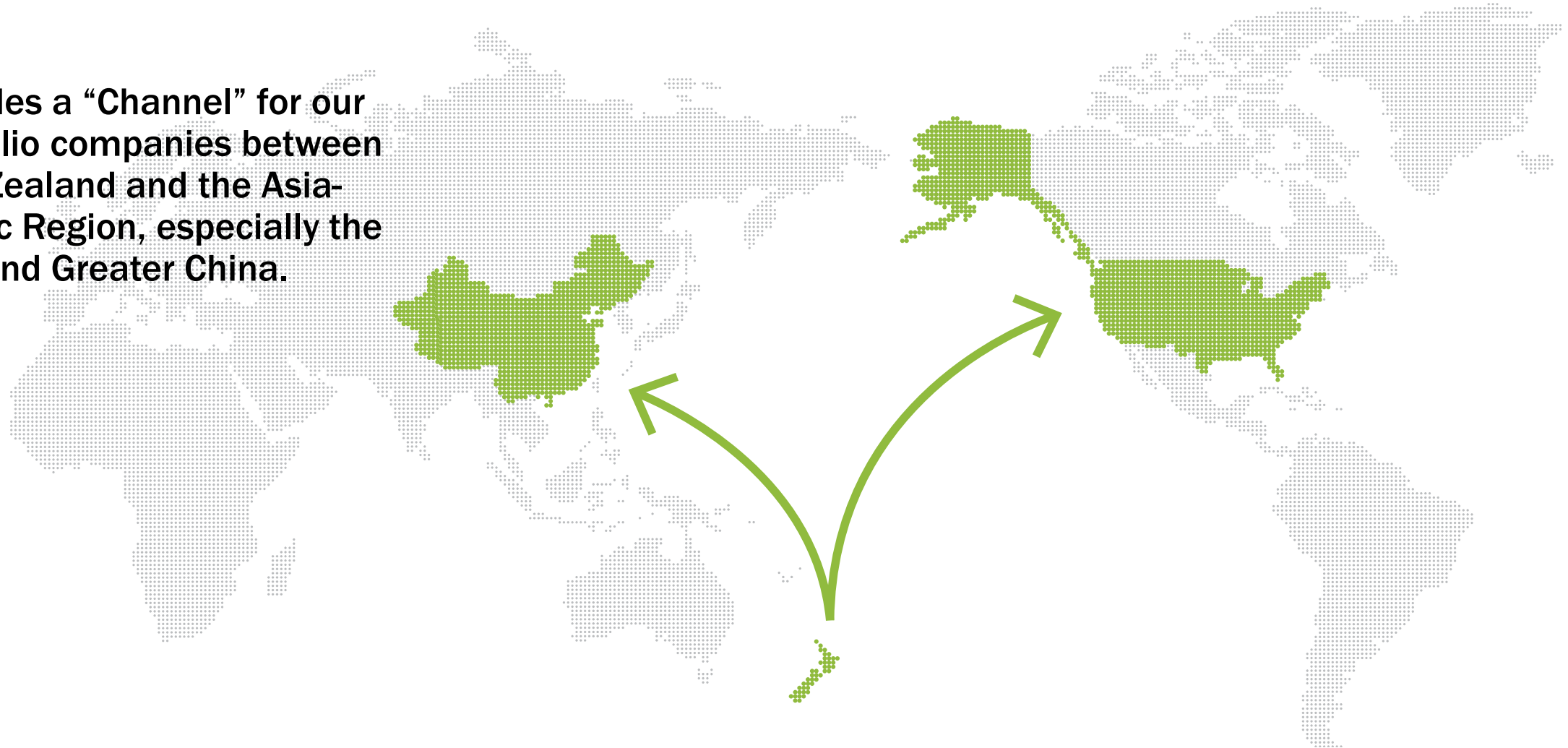
Strategic planning, investment documentation, formation of executive teams, advisory and governance boards

Market Entry Strategy

US through affiliate (The Channel Group LLC), Chinese employees and affiliates with strong networks in China

Growth

Provides a “Channel” for our portfolio companies between New Zealand and the Asia-Pacific Region, especially the USA and Greater China.



Exits



- Acquired by New Image Group in 2010
- Gross return of 30x for Pacific Channel and our seed co-investors














- Acquired by Z Energy in 2012
- Z Energy invested >\$32m on commercial production of the technology

Exits for scrip:



Current and Upcoming Co-Investment Opportunities

		Stage			
		Pre-Seed	Seed	Series A	Series B
Sector	Life Sciences			 	
	Clean-tech		 		
	Ag-tech				 

Case Study

← **NGENDER**



Our thinking


Focus on solving real problems

- The problem must be an ‘ice-pick through the eye’ for the eventual customer
- Form companies around market problems and not innovation (market pull not technology push)
- Continual market engagement is imperative
- Preventing echo chambers

“The only thing that matters is getting to product/market fit” – Marc Andreessen

Our thinking

Business model matters

- Technology companies naturally tend towards focussing on the product
 - Business models are often developed at product launch
 - Too many innovative companies fail because their business model does not fit with the market
 - Hold hands, don't butt heads (partner early)
 - Pivoting is inevitable (it's a contact sport)
- 
- A person is seen from behind, walking across a wooden suspension bridge that spans a river. The bridge has a net-like railing. The background is a dense forest of green trees. The entire image is overlaid with a semi-transparent green filter.

Our thinking

People, people, people

- The average start-up lasts longer than the average marriage
- Success is 90% execution and 10% luck
- Chances of success of a serial entrepreneur dramatically higher
- Choose your team and investors wisely



Our thinking

Going all in

- Roles cannot be narrowly defined in a start-up
 - In technology companies, the business strategy is informed by the R&D and vice versa
 - Scientists need to become commercially aware, and business team need to love R&D
 - CEO need to get involved in all aspects of the business
 - Active and strategic board and shareholders crucial
- 
- A person in a dark jacket and pants is walking away from the camera across a wooden suspension bridge. The bridge is made of wooden planks and has thick ropes for railings. The background is a dense forest of tall trees, all of which are tinted with a green color. The overall scene is serene and suggests a journey or a path forward.

Our thinking

If you build it, they won't necessarily come

- Execution is everything in the 21st century
- People face demand for their attention from all directions
- Power shift from builder to consumer
- A better mousetrap isn't necessarily enough
- A product does not sell itself
- Market needs to be educated about your product
- Tech companies still need to focus on marketing and sales

Our thinking

Where should New Zealand technology companies focus?

- Niche markets that have little international focus
- Where there is local expertise to identify and solve problems
- B2B not B2C
- Not ventures that require speed to market
- Not ventures that are too capital intensive

“If you have not heard of it or don’t understand it then it has a better chance of success internationally” - Sir Paul Callaghan



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find people who can help you succeed

1. STAY IN THE SAME GROUPS!

<https://www.youtube.com/watch?v=y2gR02tMuRg>

<https://www.youtube.com/watch?v=lu-KxEphKF8>

<https://vimeo.com/164662115>

<https://www.youtube.com/watch?v=x47KDDozwxA>



find people who can help you succeed

- 1. STAY IN THE SAME GROUPS!**
- 2. What did these pitches have in common?
What did you like and not like?**
- 3. What did they do well? What did they do poorly?**



find people who can help you succeed

A screenshot of a TED video player interface. At the top left, the TED logo is in red, followed by the text "Ideas worth spreading". To the right of this are the words "WATCH" and "DISCOVER" in white. The main video area shows a man with glasses, Simon Sinek, pointing at a whiteboard. The whiteboard has a large hand-drawn diagram with the word "why" in a circle in the center, and "How" written below it. A large white play button is overlaid on the center of the video. On the right side of the video player, there is a vertical menu of interaction icons: a share icon, a plus icon, a heart icon, and a comment icon. Below these icons are the labels "Share", "Add to", "Like", and "Recomm". At the bottom left of the video player, the text "Simon Sinek | TEDxPuget Sound" is visible. At the bottom center, the title "How great leaders inspire action" is displayed in large white font.

https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action?language=en



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- 1. STAY IN THE SAME GROUPS!**
- 2. What did these pitches have in common? What did you like and not like?**
- 3. What did they do well? What did they do poorly?**
- 4. In your group, sketch out your own pitch! 3 minutes ... what story will you tell? How will you get people to help you succeed?**