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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2. Come up with 4 - 5 challenges or problems in the food area

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

*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)

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!
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

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!
find people who can help you succeed

1. STAY IN THE SAME GROUPS!
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

- Agtech
- Life Sciences
- Clean-tech

26 portfolio companies
Tech Company Cycle

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

Make the World a better place

Passionate and coachable people
2-4 PA

Killer tech with Strong IP & FTO

Needs <$25m & 10x potential <5 years
Pacific Channel provides the following support post-investment to its portfolio companies:

**Growth**

**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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Pre-Seed</th>
<th>Seed</th>
<th>Series A</th>
<th>Series B</th>
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<tbody>
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<td>Diasense</td>
<td>Objective ACUITY</td>
<td>NZeno Upstream Medical</td>
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<td>Clean-tech</td>
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<td>Vortex Power Systems</td>
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<td>Ag-tech</td>
<td>NEXT FARM</td>
<td>ORBiS Milk on a Disk</td>
<td>Mastaplex</td>
<td></td>
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</tbody>
</table>
Case Study
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 Andreesen
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)
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
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
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=Iu-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

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