



PreSeed Report  
2024

# Publicly funded research with big ambitions.

# About this Report



This report from Kiwi Innovation Network Ltd (KiwiNet) is prepared on behalf of 17 public research organisations (PROs). These 17 PROs receive funding through the PreSeed Accelerator Fund (PreSeed) as pooling partners of KiwiNet. Since its inception, KiwiNet and the wider Commercialisation Partner Network (CPN) has demonstrated the power of bringing together diverse players across the science and innovation ecosystem to work towards a collective vision for New Zealand. Together, they are driving towards a globally competitive technology sector that delivers significant economic growth and prosperity.

The foremost ingredient for success is collaboration. KiwiNet is a standalone company run by seven universities, six Crown Research Institutes (CRIs), one Crown Entity (Callaghan Innovation) and one independent research organisation (Cawthron Institute). KiwiNet exists to drive prosperity from science and innovation. We achieve this by joining forces to transform scientific discoveries into new business.

KiwiNet's Investment Committee (IC) makes all major PreSeed investment decisions for KiwiNet. The committee brings together independent experts, with extensive business and investment

experience, and technology transfer leaders from across 19 research organisations in an environment of openness, transparency, trust, and mutual support. The IC is a focal point for collaboration between research organisations where projects are discussed, supported, and funded on the merits of their commercial promise. This review summarises the outcomes of the KiwiNet IC PreSeed investments made between 1 July 2023 and 30 June 2024 (current contract), together with an update on commercialisation outcomes from earlier PreSeed projects (including those preceding or not funded through KiwiNet). The second section of the report provides a selection of impact case studies resulting from projects within the KiwiNet portfolio.

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# Executive Summary

PreSeed Accelerator Funding (PreSeed) is an intervention unique to Aotearoa New Zealand. It is successfully driving prosperity from science and innovation by transforming scientific discoveries from Public Research Organisations (PROs) into new products and services. By incentivising investment from PROs and business into research commercialisation, PreSeed takes early-stage discoveries with commercial promise from publicly-funded research and progresses them to a point where they are 'investor-ready.' The KiwiNet Investment Committee funds PreSeed (50% of project costs) into projects with the greatest potential for creating jobs and generating export revenue for New Zealand business. A total of \$5.5M in PreSeed funded 260 projects between 1 July 2023 and 30 June 2024.

Highlights from the PreSeed project portfolio (current contract) include:

- \$5.5M in PreSeed funding provided across 260 projects
- \$1.1M in business co-funding into PreSeed projects
- \$6.7M in co-funding alongside PreSeed from other (non-business) sources, including PROs

An important objective of PreSeed funding is to foster greater connections between research organisations and business. These interactions enable New Zealand businesses to directly benefit from publicly funded scientific research by empowering them to develop new disruptive products and services while driving improvements in productivity and efficiency and diversifying the economy.

Commercialisation outcomes from projects in the current PreSeed contract (July 2023 — June 2024) include:

- 336 businesses meaningfully engaged in PreSeed projects, with 279 international connections made
- 9 commercial deals to date, across 9 projects
- 5 New Zealand start-up companies formed
- \$3.5M in commercial returns to NZ businesses and research organisations to date
- \$451M in potential export earnings (first 5 years of sales, once in market)
- 38 employment opportunities generated or sustained in New Zealand

As PreSeed projects mature, substantial economic returns are generated for New Zealand and productive relationships are formed between research organisations and business.

The following data represent *known* economic returns generated by PreSeed projects since 2003:

- \$66M in PreSeed funding across 2001 projects by KiwiNet pooling partners since 2003
- \$24.9M in business co-investment into PreSeed projects
- Over 3456 known connections made between research organisations and businesses
- 629 commercial deals across 218 projects

- 87 NZ start-up companies formed
- Over 788 employment opportunities generated or sustained in New Zealand
- \$646M in total known financial returns to NZ, including export revenue to NZ businesses

These figures represent a **return to New Zealand of nearly ten times greater than the PreSeed invested**. PreSeed is successfully harnessing New Zealand science to drive a globally competitive technology sector that fuels business innovation, job creation, and growth in export earnings.

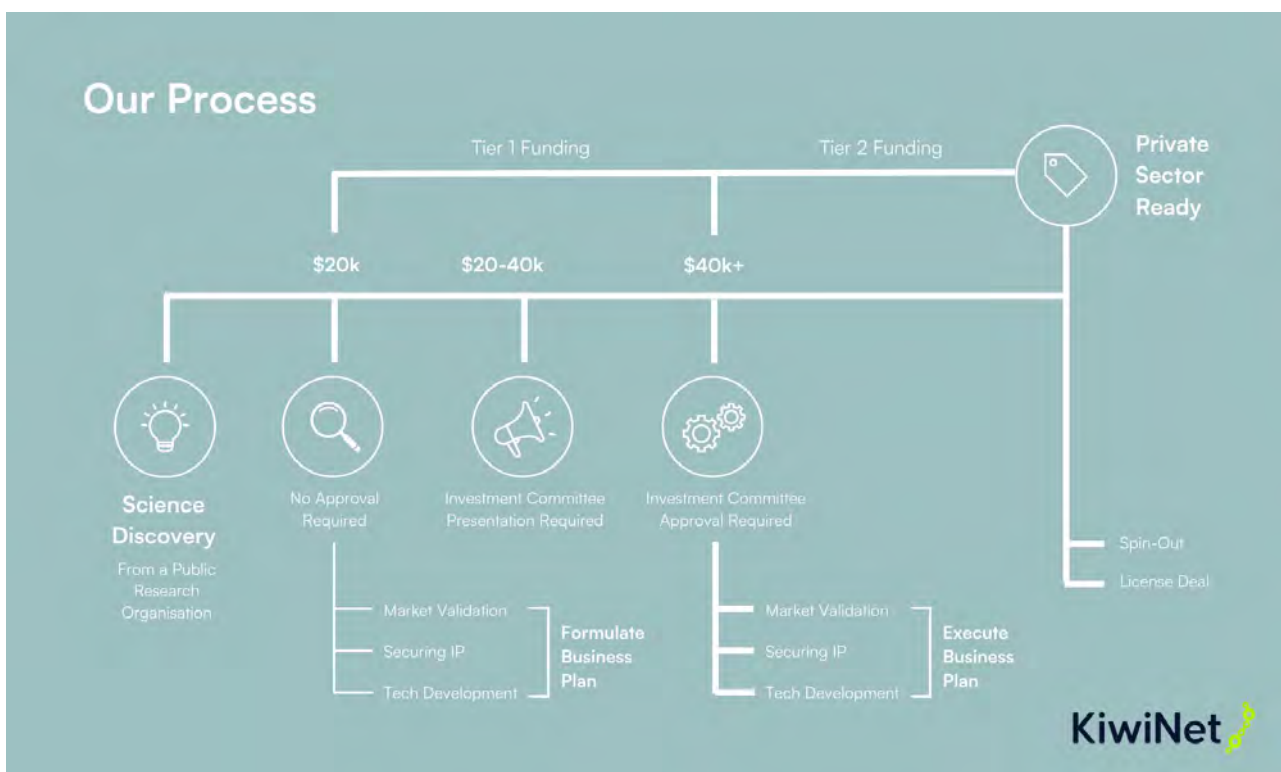
# Commercial highlights from the KiwiNet PreSeed Portfolio

This report summarises some of the commercial benefits realised by projects receiving PreSeed investment in KiwiNet’s current MBIE contract (covering the period 1 July 2023 to 30 June 2024). It also includes an update on commercial progress on historical projects from within the KiwiNet portfolio. Experience monitoring PreSeed projects shows that tangible commercial outcomes and impacts from PreSeed investment often take time to mature. For this reason, KiwiNet continues to monitor the commercialisation outcomes of historical PreSeed projects, and we are committed to ensuring optimal returns from projects that have received PreSeed from previous contracts.

**KiwiNet is happy to provide detailed project information, figures, and outcomes on request.**

## PreSeed Project Portfolio

PreSeed funding is a critical government intervention at the point where scientific discoveries can be transformed into investable technologies for uptake by the private sector. Early-stage discoveries that enter the KiwiNet PreSeed process begin with limited commercial and market validation, limited intellectual property protection, and limited technical validation. The outcome of a PreSeed project is an investable commercial proposition that can be transferred into the private sector in the form of a start-up company, joint venture, or high-value licensing deal. The endgame is an innovative new product or service that is adding value to the economy and delivering impact for New Zealand.



Acceleration is the key, and many projects will be ‘fast-failed’ alongside those that are successful — the purpose being to scale our collaborative commercialisation process across a maximum number of early-stage research discoveries. KiwiNet’s rigorous PreSeed investment processes, alongside the PROs’ own systems and processes, empower research organisations to accelerate good opportunities to market while maximising benefits to New Zealand.

*Table 1* summarises total research commercialisation investment into PreSeed projects, in both the current and earlier contracts, for the 17 research organisations that access pooled KiwiNet PreSeed funding.

Of the total \$13.3M invested in research commercialisation in the current contract to 30 June 2024, 41% is allocated from PreSeed funding, 50% from research organisation co-investment, and 9% from business co-investment. KiwiNet takes no equity stake or other benefit share from PreSeed Accelerator Funding.

The considerable number of abandoned projects reflects the early stage, high-risk nature of projects into which PreSeed is initially invested. Additionally, abandoned projects are a welcome outcome, as technology opportunities are accelerated towards ‘fast fail’ or an alternative (non-commercialisation) impact pathway. This process enables valuable commercialisation resource to be subsequently redeployed within research organisations and a suite of commercialisation opportunities to be rapidly triaged over a given time period. Abandoned projects typically make up a small percentage of the total *quantum* of PreSeed investment, since Tier One investment normally provides sufficient validation to determine whether further investment will deliver commercial success.

Business co-investment is an important validation for the market opportunity. It is typically attracted because PreSeed investment lowers the risk for businesses to participate in the commercialisation process earlier than they would normally. Businesses that co-invest alongside PreSeed often become manufacturing or co-development partners, or eventual licensees of resulting technology.

The IC approved the continuation of 80 projects from the 2019-2023 PreSeed contract (ending 30 June 2019) into the current fund.

**Table 1: Commercialisation Investment into KiwiNet PreSeed Projects**

	Current Contract	Historical* (pre 01/07/23)	TOTAL
Number of PreSeed-Funded Projects	260	1741	2001
<i>Of which are:</i>			
<i>Completed</i>	<i>81</i>	<i>1239</i>	<i>1320</i>
<i>Abandoned</i>	<i>5</i>	<i>253</i>	<i>258</i>
<i>On-hold</i>	<i>2</i>	<i>6</i>	<i>8</i>
<i>In Progress</i>	<i>172</i>	<i>243</i>	<i>415</i>



PreSeed Funding Allocated	\$10,014,205	\$64,261,173	\$74,275,378
PreSeed Funding Invoiced to Date	\$5,467,169	\$61,006,456	\$66,473,625
PRO Co-Investment into PreSeed	\$6,673,642	\$54,928,149	\$61,601,791
Business Co-Investment into PreSeed	\$1,091,340	\$23,852,671	\$24,944,012
<i>Number of Business Co-Investors</i>	<i>48</i>	<i>283</i>	<i>331</i>
Investment from Reprioritised MBIE Funds	\$67,000	\$9,712,088	\$9,779,088
<b>Total Investment into Commercialisation</b>	<b>\$13,299,151</b>	<b>\$148,592,306</b>	<b>\$161,891,457</b>

\* NB: data on historical projects will likely be incomplete due to the reliance on historical reporting processes and associated attenuation of project intelligence within research organisations over time.

## Portfolio Performance

The goal of PreSeed investment is to accelerate the commercialisation of new products and services from our world-class scientific research for the benefit of New Zealand. This is achieved through increasing export revenue, employment opportunities, and improving productivity and efficiency of NZ firms. Bringing new innovations from publicly-funded research into the world also delivers a pathway to non-economic impact, including social, health, wellbeing, and environmental benefits, while interfacing with te ao Māori and enriching the Māori economy.

Commercialisation outcomes such as business-PRO interactions, revenue from deals, jobs created, new licensing arrangements, and the formation of start-up companies are important markers of PreSeed success. Not only can these outcomes be directly measured, but they also represent important first steps in the journey towards meaningful impact for New Zealand.

Table 2 summarises *known* commercialisation outcomes of KiwiNet PreSeed investments to date. A total of 336 businesses have been meaningfully engaged in PreSeed projects in the current contract to date. These interactions led to some form of legal agreement (such as an NDA), co-investment in PreSeed projects, commercial deals, and commercial partnerships — some of which have led to ongoing strategic relationships.

These interactions empower NZ businesses to directly access scientific knowledge and technology in public research organisations. This in turn fuels the innovation of new products, processes, and services, while bringing important private sector expertise and investment to bear on early-stage technology opportunities to maximise their chances of successfully reaching the market. PreSeed investment is working to de-risk the early steps of the innovation process for NZ businesses and investors.

Of the 336 recorded business interactions, 279 international connections have resulted. These have generated export revenue, provided opportunities for our world-class science and innovation on the world stage and have, in some instances, leveraged foreign direct investment into NZ ventures and R&D.

KiwiNet PreSeed investments since July 2023 have so far resulted in 9 commercial deals, across 9 projects. Of these, 6 start-up companies have been formed (see Appendix One), alongside 1 new

start-up from an older project (pre-July-2023). Of the start-ups formed from PreSeed projects funded in the current contract, one has entered Callaghan Innovation's technology-focused incubators. Private investment into new ventures arising from PreSeed projects totals \$3.4M to date. A grand total of 89 start-ups have resulted from all KiwiNet PreSeed projects to date.

It should be noted that commercial returns are typically lower for more recent investments, given the time required for research commercialisation projects to mature (often 5-7 years or even longer). Intellectual property protection and business engagement figures are up significantly compared with historical data, reflecting an increasing focus on forming an IP strategy quickly and engaging with business early.

**Table 2: Commercialisation outcomes of PreSeed projects to 30 June 2023**

	Current Contract	Historical* (pre 01/07/23)	TOTAL
Patents Filed	185	962	1147
<i>Patents assigned or transferred to external parties</i>	13	108	121
Other IP Secured (copyright, trademarks, trade secrets)	6	841	847
Total Pieces of IP Secured	191	1803	1994
Number of Businesses Meaningfully Engaged <i>Including:</i>	336	3120	3456
<i>International Connections</i>	279	1231	1510
Number of Commercial Deals	9	620	629
Number of Projects Generating Deals	9	209	218
<i>Of these:</i>			
<i>Number of Start-ups Formed</i>	6	83	89
<i>Tech Incubator Engagement</i>	154	209	363
<i>Tech Incubator Uptake</i>	0	20	20
<i>% Resulting in Start-ups</i>	66.6%	39.7%	40.8%
<i>% Resulting in Contract Research, Licensing, Technology Sales, or Consultancy Deals</i>	33.3%	60.3%	59.2%
PRO Revenue from Licensing, Contract Research, Technology Sales, and Consultancy	\$181,424	\$212,541,828m	\$212,723,252m
Private Investment into New Ventures	\$3,200,000	\$295,646,338	\$298,846,338

Total Private Investment into New Ventures and PRO Revenue to Date	\$3,200,000	\$472,102,691	\$475,302,691
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*\* NB: data on historical projects will likely be incomplete due to the reliance on historical reporting processes and the attenuation of project intelligence within research organisations over time.*

## Economic Returns to New Zealand

PreSeed commercialisation projects have a significant impact on the NZ economy and our research and innovation ecosystem. Revenue to NZ businesses and follow-on investment develops over time as projects mature and technologies reach the market in the form of new products and services. Employment opportunities are created, and export revenues grow. New business is created based on disruptive and innovative technologies that are helping diversify the New Zealand economy.

*Table 3* summarises the wider impact of PreSeed commercialisation projects to date. This data represents only that disclosed to KiwiNet and will not, therefore, represent a complete picture of the revenue generated by the many private entities that benefit from the innovations arising from PreSeed investment. Research organisations are in some instances made aware of follow-on benefits experienced by the end-users of PreSeed technologies, and these are captured in our data. Outcomes include both domestic and export sales, follow-on private investment in new ventures and an increase in technological capability which can lead to Business Expenditure on R&D (BERD) and further innovation.

PreSeed projects receiving investment from the most recent fund have yet to generate follow-on investment and NZ business revenue. It is expected, however, that this number will rise over time, since downstream returns from research commercialisation do not typically occur until a project has fully matured (often in the range of 5-7 years, if not longer). Known follow-on investment and direct revenue to NZ businesses resulting from the entire KiwiNet PreSeed portfolio (including historical projects) is \$447M and is likely to represent only the 'tip of the iceberg.'

These figures, combined with revenue outlined in Table 2, contribute to a **total known revenue from all KiwiNet pooling partner PreSeed investments of at least \$646M**, originating from a total PreSeed investment of \$66.4M and representing a **greater-than nine-fold incremental return to NZ from PreSeed funding**.

Within research organisations, individuals involved in PreSeed commercialisation projects benefit from the resulting expertise and experience they gain. This strengthens NZ's innovation capabilities by providing direct, first-hand experience of research commercialisation, while helping to foster a culture of innovation across our science base. Many individuals go on to form start-up companies, work in high-technology companies or pursue new research commercialisation opportunities. 38 FTE employment opportunities have been created as a direct result of projects in the current contract, contributing to a total of 788 FTEs since 2003.

*Table 3: Known economic impact of PreSeed commercialisation projects*

	<b>Current Contract</b>	<b>Historical* (pre 01/07/23)</b>	<b>TOTAL</b>
Follow-on Business Expenditure into R&D incurred as a result of the PreSeed project	\$366,850	\$150,001,722	\$150,368,572
Number of Jobs Created (FTEs)	38	750	788
Potential Revenue to NZ from Export Earnings in First 5 Years of Sales	\$451,350,000	\$3,541,653,777	\$3,993,003,777
Total Known Revenue to NZ Businesses and PROs from PreSeed Projects to Date	\$3,531,424	\$642,600,961	\$646,132,385

\* NB: data on historical projects will likely be incomplete due to the reliance on historical reporting processes and the attenuation of project intelligence within research organisations over time. The number of individuals gaining commercialisation experience and level of follow-on investment will, therefore, likely be higher than that reported.

# PreSeed success Stories

## 2.1 ZealaFoam® — BIOPOLYMER NETWORK



*Rotorua-based ZealaFoam® is setting a new standard in sustainable packaging with its innovative, 100% plant-based alternative to polystyrene.*

ZealaFoam mirrors the strength, lightness and insulative properties of traditional polystyrene — but is far kinder to the environment. Using patented technology, ZealaFoam is made from Polylactic Acid (PLA) derived from plants such as maize and cassava. Its journey began with the Biopolymer Network Ltd, a joint venture between AgResearch, Plant & Food Research and Scion.

A key advantage of ZealaFoam is its ability to be produced using existing polystyrene equipment, avoiding the need for expensive new infrastructure. \$120,000 of PreSeed Accelerator Funding was secured to take the product to initial industry trials, validating its performance and feasibility on standard machinery. Further investment from its CRI shareholders supported the company to launch its first product.

Polystyrene has long dominated the USD \$30 billion global packaging market. ZealaFoam's debut product, EcoBeans—a sustainable beanbag fill—marks the company's first step in disrupting this market. Launching EcoBeans has paved the way for the broader deployment of its core product, moulded ZealaFoam. The company is now poised to enter the USD \$3.6 billion cold chain packaging market, with plans to roll out its fish boxes in 2024.

Supported by recent venture capital investment from Bridgewest Ventures and a robust patent portfolio, ZealaFoam is primed to meet the rising global demand for sustainable packaging. Its international licensing model ensures the technology ownership remains in New Zealand, showcasing Kiwi innovation while opening doors to international revenue streams.

## 2.4 Strawberry Birthmarks

### MASSEY VENTURES & GILLIES MCINDOE RESEARCH INSTITUTE



*A breakthrough treatment under development by Massey Ventures and the Gillies McIndoe Research Institute has life-changing potential for infants with strawberry birthmarks.*

Strawberry birthmarks, affecting 10% of children worldwide, are not just disfiguring but can also be life-threatening. Unfortunately, current treatments are reserved for the most acute cases due to the often-severe drug-related side effects. This leaves up to 85% of affected infants untreated.

Recognising the need for a safer solution, researchers at Massey Ventures and the Gillies McIndoe Research Institute developed a novel topical formulation that could potentially avoid these adverse effects. Massey Ventures was appointed to lead the commercialisation efforts, navigating the complex landscape of patent applications and negotiating with other rights holders. Their mission was clear: to bring this groundbreaking treatment to market.

Securing \$150,000 of PreSeed Accelerator Funding helped de-risk the project and accelerate it to investor readiness. The breakthrough came when Massey Ventures introduced the technology to AFT Pharmaceuticals, leading to a swiftly negotiated licensing agreement that included a risk-sharing model with milestone payments, licensing fees, and royalty revenues.

In 2022, Massey Ventures and the Gillies McIndoe Research Institute announced their partnership with AFT to develop this life-changing technology. The collaboration provides the resources needed to move the treatment from research to reality—finalising the formulation, leading a full medicine development programme including clinical studies, and ultimately bringing it to market.

This achievement earned Massey Ventures the 2023 KCA Research Commercialisation Award for Best Licensing Deal. More importantly, the partnership brings hope to countless families, offering a safer, more accessible solution that was once out of reach.

## 2.3 Goodair Nosebuds — AUCKLAND UNIVERSITY OF TECHNOLOGY



*Goodair is rethinking nasal congestion treatment with an innovative, drug-free solution that harnesses the body's natural defenses to clear airways and enhance wellbeing.*

Developed from research conducted by Dr David White at Auckland University of Technology (AUT), the groundbreaking Goodair Nosebuds offer a new approach to improving overall well-being.

The small, portable device—inspired by leading-edge science and traditional yoga breathing techniques—delivers a soothing hum, stimulating your airways to naturally clear mucus and pathogens. Clinically tested, just 20 minutes of regular use of the Nosebuds can improve airway clarity, balance hydration, and enhance overall well-being.

With one-third of the population suffering from nasal congestion, Goodair Nosebuds provide a drug-free alternative for those seeking relief from this widespread issue.

AUT Ventures led the commercialisation of the project (then called Kazoo-NO), securing \$185,500 of PreSeed Accelerator Funding to further develop the device, conduct consumer validation trials and perform patient studies to assess its efficacy and ease of use.

The technology was licensed by AUT Ventures to My Better Breathing (trading as Goodair), which has gone on to raise \$1.75 million of investment to establish the company, build the team, develop the product and prepare for launch.

The Goodair team has expanded to seven members, all dedicated to advancing respiratory health. They're now focused on bringing the Nosebuds to market by the end of 2024.

## 2.4 Liquium — VICTORIA UNIVERSITY OF WELLINGTON



liquium

WELLINGTON  
UNI VENTURES™  
Te Paewai

VICTORIA UNIVERSITY OF  
WELLINGTON  
TE HERENGA WAKA

*Cleantech start-up Liquium is revolutionising the ammonia industry by making production cleaner, more affordable and more energy efficient than ever before.*

Ammonia is hailed as a ‘fuel of the future’ for heavy industries like cargo shipping and electricity generation, yet it’s currently one of the world’s most polluting chemicals due to its energy-intensive production process and reliance on fossil fuels.

Liquium, a spin-out from Victoria University of Wellington, has come up with a novel solution to address this challenge. Liquium’s new drop in catalysts for the industrial Haber-Bosch process will help to significantly lower the operating temperatures and pressures for the reaction. These milder operating conditions will slash capital and production costs and allow ‘green’ ammonia plants to load follow electricity markets and ultimately support the uptake of ‘green’ ammonia that can be commercially competitive with existing production methods and the incumbent fossil fuels.

With support from Wellington UniVentures and PreSeed Accelerator Funding, as well as inclusion in the Breakthrough Energy Fellows programme, Liquium spun out in 2022. The company secured \$1.5 million in a seed round led by Matū and has since expanded its team to further refine their technology. Liquium now boasts over 30 different catalysts across four generations, positioning them to engage with global engineering and materials corporations.

They are now poised to create global impact by scaling their catalyst manufacturing and ammonia production to validate the implementation and techno-economic pathway for this material and its application in a ‘green’ Haber-Bosch process. By making one of the world’s most polluting chemical processes more sustainable, Liquium is set to create significant economic and environmental impact, paving the way for a greener future.



## 2.5 2before — PLANT & FOOD RESEARCH



# 2before™

**Plant & Food™  
Research**  
Rangahau Ahumāra Kai

*2before® blackcurrant pre-workout powder is making waves internationally as a natural sports supplement for improved athletic performance and faster recovery.*

Born out of science from Plant & Food Research, 2before's powder supplement has been proven to enhance sports performance and reduce recovery time. The product is based on research that demonstrated that the unique anthocyanins in New Zealand blackcurrants are able to manage oxidative stress and aid sports recovery.

Supported by \$143,000 in PreSeed Accelerator Funding, the team developed a U.S. market entry strategy and 2before spun out of Plant & Food Research in 2019. The company launched as an online direct-to-consumer company in early 2020 and won the Nutraingredients Product of the Year: Sports Nutrition.

Challenges like the COVID-19 pandemic disrupted their initial target market of U.S. college and professional sports teams, however 2before quickly pivoted to an active consumer market.

2before secured additional capital in 2021, leading to the launch of a second pre-workout powder combining blackcurrants with natural caffeine to maximise the benefit for athletes. The business is starting to develop real growth potential and has gained great traction in the athletic and sports nutrition category, predominantly in the US market, and is supplying a number of professional sports teams.

As the global pre-workout market continues to grow, 2before is poised for substantial expansion, offering a natural alternative grounded in innovative Kiwi science.

# KiwiNet Operations

KiwiNet was established in July 2011, building on the foundation of a consortium of four universities which were awarded a devolved PreSeed contract in 2008 (under KiwiNet's precursor, UniCom). The group now comprises 15 shareholder organisations and 17 organisations (from July 2019) that access pooled PreSeed Accelerator Funding through KiwiNet. Together, they work in an open environment of trust and collaboration, as part of the Commercialisation Partner Network (CPN).

KiwiNet now represents the combined power of 19 of New Zealand's Universities, Crown Research Institutes and other research organisations who receive public funding. They are dedicated to taking a collaborative approach to transforming scientific discoveries into new business. Together, these research organisations represent a total combined research expenditure of over \$715 million per annum and represent over 80% of the publicly funded researchers in New Zealand.

The KiwiNet Investment Committee (IC) includes 21 commercialisation experts, supported by 12 KiwiNet Management staff and numerous external experts. This provides a support network with extensive technical and commercial expertise to grow the pipeline and deliver impact. The IC fills the gap between public research organisations and the private sector to strengthen commercialisation and act as a focal point for collaboration and co-ordination. Together the consortium has a proven track-record of investing PreSeed into research commercialisation to deliver significant benefits to New Zealand.

MBIE provides Commercialisation Partner Network (CPN) funding for KiwiNet activities outside of the IC including the Board of Directors and Management team. CPN funding has enabled KiwiNet's scope of activities to expand beyond the operation of an IC to a much broader facilitation role within the research commercialisation ecosystem. KiwiNet invests CPN funding from MBIE into delivering a programme of activities and initiatives across three strategic themes that are aimed at powering up research commercialisation across the ecosystem.

## Our Mission

To foster a national commercialisation network that transforms public research into economic benefits for Aotearoa New Zealand.

## Our Vision

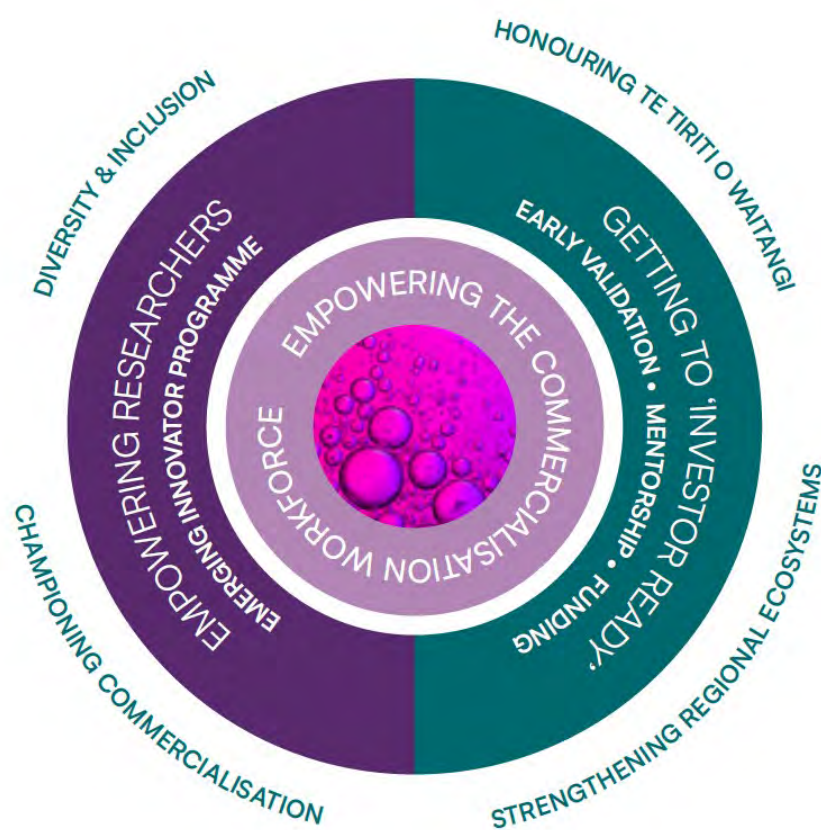
KiwiNet is at the heart of a world-leading commercialisation ecosystem, fuelling a globally-competitive technology sector in Aotearoa New Zealand that is driving economic outcomes, intergenerational prosperity and solutions to global challenges.

**KiwiNet’s strategic themes are:**

**Pipeline** — enable a world-leading commercialisation system that is best for Aotearoa New Zealand.

**People** — empower the people in the system to maximise success.

**Promotion** — uplift the mana of the commercialisation ecosystem.



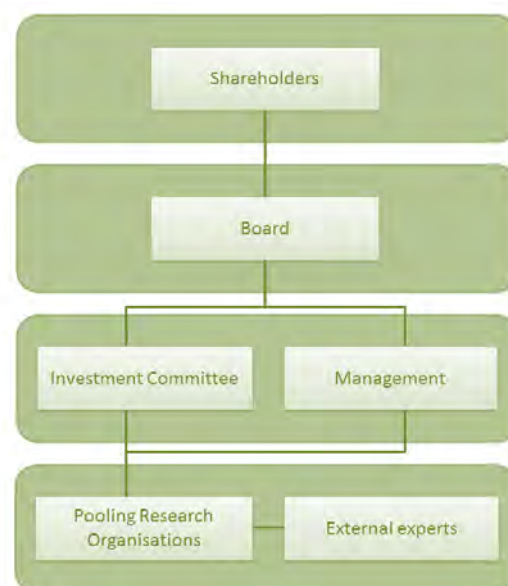
The KiwiNet structure is depicted below. The Investment Committee (IC), not the KiwiNet Board or Management, is entirely responsible for the governance of PreSeed investment, including all investment decisions.

## KiwiNet Shareholders

KiwiNet shareholders currently include seven universities, six Crown Research Institutes, a Crown Entity, and an independent research organisation (see Appendix Two for a full list of shareholders and PreSeed pooling research organisations).

## KiwiNet Board of Directors

The Board reports to the shareholders and MBIE. The Board members are chosen for their considerable business experience, understanding of early-stage commercialisation and personal interest in growing New Zealand's economy. The Board has six members, including four independent directors (Will Barker—Chair, Vignesh Kumar, Debra Hall and Katherine Sandford), one CRI representative (Amanda Davies, Scion) and one university representative (Mark Cleaver, Massey University). The Board is not funded using PreSeed funds.



### 3.1 KiwiNet Investment Committee

The KiwiNet IC is responsible for the allocation of MBIE PreSeed investment. The committee is governed by an Operations Policy (available upon request) that has been ratified by the KiwiNet Board and Shareholders. The IC Operations Policy is amended to ensure compliance with MBIE and the objectives of KiwiNet. The committee is scheduled to meet face-to-face 8 times per year and is a forum open to all PROs to share ideas and opportunities. All people attending are under strict confidentiality agreements and conflicts of interest are managed for every project. The IC's functions include:

- **Investment allocation** — Approving investment allocation into projects, monitoring project progress and reviewing portfolio outcomes and impact.
- **Expert guidance** — Leveraging the combined expertise and networks of each committee member to provide expert technical and commercial advice.
- **Networking between PROs** — Creating a forum for senior technology transfer staff to build relationships and identify collaboration opportunities.
- **Capability development** — Provide an open forum for PRO staff to attend as observers and watch projects being discussed (under confidentiality).
- **Shared connections** — Share industry and investor connections between PROs to help each other pursue commercial opportunities.
- **Vision Mātauranga** — Consider opportunities to involve Māori knowledge, resources, and people in the commercialisation process as channel-to-market partners and/or end-users.

### 3.1.1 Investment Committee members

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The Committee has 21 members comprising six independents and a representative from each of the 15 shareholder organisations. The independent members are:

- Debra Hall (18 Limited) — IC Chair
- Greg Sitters (Matū Group)
- Bryan Ryan
- Nick Willis (Nick Willis Consulting)
- Brigitte Smith (Suppar Pty Ltd, Australia)
- Andrew Kelly (BioPacific Partners)

The KiwiNet shareholder representatives bring with them a wealth of personal expertise as well as deep knowledge of the activities and capabilities of their respective organisations:

- Rosanne Ellis (University of Waikato)
- Michael Fielding (AUT Ventures, Auckland University of Technology)
- Andrea Bubendorfer (Callaghan Innovation)
- Travis Glare (Lincoln University)
- Andy Doube (Landcare Research)
- Chris Worts (GNS Science)
- Sean Mackay (Massey Ventures)
- Dougal Ferguson (AgResearch)
- Peter Cook (Plant & Food Research)
- Pierre Malou (Wellington UniVentures, Victoria University of Wellington)
- Alexandra Tickle (Otago Innovation, University of Otago)
- Rebecca Warr (University of Canterbury)
- Mark Ottaway (ESR)
- Amanda Davies (SCION)
- Eric Swale (Cawthron Institute)

The committee encourages openness and involvement between all PROs and MBIE. Representatives from these organisations are encouraged to attend IC meetings as observers. The IC is an MBIE approved CPN Investment Committee, meaning it is open to any PRO seeking feedback and advice or seeking approval for PreSeed investment greater than \$60k.

### 3.1.2 Decision Independence

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The Investment Committee includes representatives from the PROs. The IC operations policy contains the following rules to ensure independent decision-making:

- The Chair must be an independent member;
- Investment allocation requires a majority vote, including a majority of independent members;
- Presenting organisations cannot vote on their own projects and must leave the room during final decision making.

## 3.2 KiwiNet PreSeed Investment Processes

The KiwiNet investment process strikes a balance between empowering the PRO partners and ensuring IC oversight. It is essential that PROs can make quick decisions to pursue opportunities as they emerge. However, the partners recognise the importance of independent oversight and guidance from the IC.

KiwiNet invests PreSeed using a two-tiered system, with each tier unlocking greater PreSeed investment, but requiring increasing diligence and greater scrutiny by the IC. This system is reviewed and amended regularly to ensure it is fit for purpose.

### 3.2.1 Tier One

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#### ***Up to \$60,000 PreSeed investment per project***

Tier One PreSeed funding is invested in earlier-stage commercialisation activities and small project commercialisation. Tier One activities can include market validation, recruitment of experts, business plan preparation, IP protection, and preliminary prototype development.

PROs do not need IC approval to allocate Tier 1 to a project; they just need to notify of project commencement by submitting a Project Notification Form. Each PRO has their own internal decision-making processes for Tier 1 investment. However, to ensure the IC has visibility of these projects, PROs must present the project for feedback before more than \$20,000 of PreSeed is invested. If a Tier 1 project has a budget of over \$40,000 of PreSeed then this presentation becomes a decision for the Committee.

Small scale projects may reach the “investor ready” stage within the Tier 1 budget. For projects that require more than \$60,000 PreSeed, Tier One enables PROs to prepare a Project Development Plan that is submitted to the IC for Tier 2 investment.

### 3.2.2 Tier Two

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#### ***Above \$60,000 PreSeed investment***

Investment in Tier Two projects must be authorised by the IC. PreSeed funding is approved to execute a Commercial Development Plan based on a business plan, milestone plan, and budget. The plan should map the full pathway to an ‘investor-ready’ outcome and research organisations are expected to provide quarterly progress reports.

The IC requires the level of due diligence carried out for each project to appropriately reflect the level of PreSeed funding requested.

### 3.2.3 Other Allocations

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- Up to 6.75% of the investment pool may be used to fund costs of portfolio management and the operation of the investment committee.
- Matched allocation for organisations to run a Tech Jumpstart competition and carry out basic market assessment on the resulting opportunities.

- Contribution to the costs of registration fees and eligible travel expenses incurred in sending staff members to events and courses that will help further their professional development in the technology transfer area.

### 3.2.4 Reporting

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The IC monitors the outcomes from all PreSeed investments. The following on-going reporting requirements are expected by the IC:

- **Quarterly Progress Reporting** — PROs present a written and verbal progress report to the IC for all Tier Two projects each quarter. These reports give the IC the opportunity to provide further support and guidance as the project progresses.
- **Fund Management Report** — KiwiNet provides a quarterly report on the PreSeed project portfolio, which is reviewed by the IC.
- **Project Status Changes** — Research organisations must submit a Project Change Request to the IC for all proposed PreSeed investment or project end-date changes.
- **Annual outcomes reports** — Completed projects are periodically reviewed by the IC to monitor their ongoing progress and outcomes, including all Tier One projects.

## 3.3 KiwiNet Management

The KiwiNet management team (see Appendix Two) works alongside technology transfer staff from PROs and other external organisations. The management team does not lead commercialisation projects *per se* but does provide substantial support around project planning. The role of the KiwiNet management team can be grouped into three main functions:

- Administration of the investment portfolio and reporting to MBIE to ensure a high standard of portfolio management and impact tracking.
- Supporting research organisation staff who are engaging with the Investment Committee to prepare and implement high quality commercialisation plans.
- Implementing initiatives to power-up research commercialisation across the network, in-line with the KiwiNet strategy, to maximise the size and impact of the PreSeed investment portfolio.

KiwiNet management is mostly funded with CPN funding. Only costs directly associated with IC governance and portfolio management are claimed from the PreSeed fund.

## 3.4 Investment committee outcomes July 2023 – June 2024

The KiwiNet Investment Committees met 7 times between July 2023 and June 2024 to provide feedback on projects and approve investment into proposed PreSeed projects. During this period, the KiwiNet IC has allocated \$10.0m in PreSeed funding across 260 projects from 18 pooling research organisations. This includes:

- 32 major projects where project plans were approved by the committee (Tier Two), totalling \$6.1M PreSeed.
- 306 projects where the decision to invest was devolved to the research organisation (Tier One), totalling \$5.5M PreSeed.
- 60 projects that were started in the previous contract (prior to July 2023) and for which the IC made the decision to continue their investment into the recent contract.

- \$200k in PreSeed compliance and operational costs, including operation of the IC.

A total of 54 projects from 20 research organisations have been presented to the IC for feedback and approval over the 12 months from 1 July 2023 to 30 June 2024, including:

- 16 full proposals for PreSeed funding reviewed by the KiwiNet IC, all of which were eventually approved for Tier 2 investment. This equated to \$4.2M PreSeed allocated to Tier Two projects by the KiwiNet IC.
- 27 project previews were presented for feedback from the committee. Two of which came from non-devolved organisations, with both NZIMMR and New Zealand College of the Chiropractic.



# Appendix One: KiwiNet Management and Shareholders

KiwiNet receives Commercialisation Partner Network (CPN) funding from MBIE to operate a national network that promotes greater collaboration and increased impact from commercialisation of public research.

Staff and management are employed by WaikatoLink Ltd (WLL) and seconded to KiwiNet under a management services agreement to maximise the efficient use of CPN funding. All staff seconded into KiwiNet report directly to the KiwiNet CEO. Consultants are contracted where appropriate to bring specialist independent expertise onto projects. Key Personnel (full time):

Name	Position
Dr James Hutchinson	CEO (Hamilton)
Kate Webby	Marketing and Events Manager (Hamilton)
Lindsay Clark	Marketing and Communications Specialist (Hamilton)
Glen Beattie	Private Sector Engagement Lead (Auckland)
Dr Seumas McCroskery	Researcher Entrepreneurship Lead (Hamilton)
May Low	COO (Hamilton)
Deborah Crowe	Commercialisation Development Manager (Tauranga)
Michelle Polglase	Commercialisation Manager (Christchurch)
Madushi Wijesundara	Private Sector Engagement (Auckland)
Dylan Watson	Portfolio and Systems Manager (Hamilton)
Alan Hucks	Commercialisation Manager (Wellington)
Mindy Wu	Financial Accountant (Hamilton)

## Current KiwiNet Shareholders

KiwiNet is wholly owned by the following organisations through equal shareholdings:

- AUT Ventures Ltd (Auckland University of Technology)
- WaikatoLink Ltd (University of Waikato)
- Victoria Link Ltd (Victoria University of Wellington)
- University of Canterbury
- Lincoln University
- Otago Innovation Ltd (University of Otago)
- AgResearch Ltd
- The New Zealand Institute for Plant & Food Research Ltd
- Landcare Research New Zealand Ltd
- Callaghan Innovation

- Institute of Environmental Science and Research Ltd (ESR)
- New Zealand Forest Research Institute Ltd (SCION)
- Massey Ventures Ltd (Massey University)
- Institute of Geological and Nuclear Sciences Ltd (GNS Science)
- Cawthron Institute Ltd

### KiwiNet PreSeed Pooling Partners

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The following organisations access pooled PreSeed funding through MBIE's devolved contract\* with KiwiNet:

- AUT Ventures Ltd (Auckland University of Technology)
- WaikatoLink Ltd (University of Waikato)
- Victoria Link Ltd (Victoria University of Wellington)
- University of Canterbury
- Lincoln University
- AgResearch Ltd
- Lincoln Agritech Ltd
- Cawthron Institute Ltd
- Health Innovation Hub (HIH)
- Massey Ventures Ltd
- National Institute of Water and Atmospheric Research Ltd (NIWA)
- Malaghan Institute of Medical Research
- The New Zealand Institute for Plant & Food Research Ltd
- Landcare Research New Zealand Ltd
- Callaghan Innovation
- Institute of Environmental Science and Research Ltd (ESR)
- Institute of Geological and Nuclear Sciences Limited (GNS Science)

\* Other public research organisations not formally in the KiwiNet pool are also eligible to access PreSeed funding through what was formerly known as MBIE's non-devolved fund.