

PONTEM SOLUTIONS - ESTABLISHMENT OF SMART FUND FOR EARLY STAGE TECHNOLOGIES

Location of the investment: **Queens Road, Melbourne, Australia**

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What is your idea / business and to whom is it addressed?

The Problem The majority of the world's potentially useful innovations are never commercialized. These are innovations that would make a difference to humanity. This is often due to lack of access to development capital - as investors resist the risk of individual early stage technologies. Yet, humanity needs faster innovation and delivery of technologies in areas such as energy, water, waste, medicine and transport. The Solution Pontem Solutions will be a technology fund for the commercialization of early stage technologies, covering these sectors: stage 1: energy, water and waste stage 2: medicine and transport. Its point of difference as a fund is that Pontem Solutions will have the in-house capacity to: -technically and financially assess the innovations brought to it -fund, execute and control the development of innovations through to completed demonstration -package these de-risked innovations for sale to series B/C investors Pontem Solutions invites investment from VCs, Private Equity, Investment Banks, HNWIs and governments. It will reduce risk for each investor by blending multiple sources of funding with multiple early stage innovations. No investor will be over exposed to any one innovation. Investors can now go early with reduced, shared risk. Innovators get improved chances of commercialization. Humanity wins from expedited innovation.

How should the idea/business earn money?

Phase 1. Innovators requiring funding apply online via Pontem's intelligent web form. Pontem's investment committee reviews each application for fit. Projects are selected for progression to phase 2. A selection weighting may be applied to projects already in development. Phase 2. A working and rewards agreement is signed with each selected innovator. The selected projects from phase 1 each enter a 60 day review for technical feasibility, commercial scenarios, business case and IP security. Work is performed by Pontem staff and contracted specialists. Pontem assigns up to \$100K per project for this phase. A criteria will be speed to market. Assume a 1 in 20 success rate to progress to phase 3. Phase 3. The projects assessed and approved at phase 2 are now selected for full development - through the stages of prototype, permitting, IP completion, demonstrator build, completed testing and business case. \$4m per project is budgeted. Projects are now ready for full or part sale by Pontem to series B investors. The sale process commences. Assume a 2 in 3 success rate for phase 3. We plan to sell each of the 33 packaged projects in phase 3 to series B/C investors for an average sale price of \$20m each. This is the planned revenue stream.

At what stage is the idea / business at the moment?

The founders / start-up team is in place. The financial pro-formas / projections have been completed. We're out there talking to investors.

What do you need?

1. The fast plan is for first sale of projects in year 2. This will require a total of \$65 million over years 1 and 2. 2. The delayed plan assumes our first sale of projects does not happen until year 4. This will require a total of \$197million over years 1 through 4.