

The Cardiff University-Fusion IP Model for Technology Transfer

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Technology Transfer

“The commercial development of research ideas and intellectual property into commercially viable products or processes that meet defined market needs”



High Risk



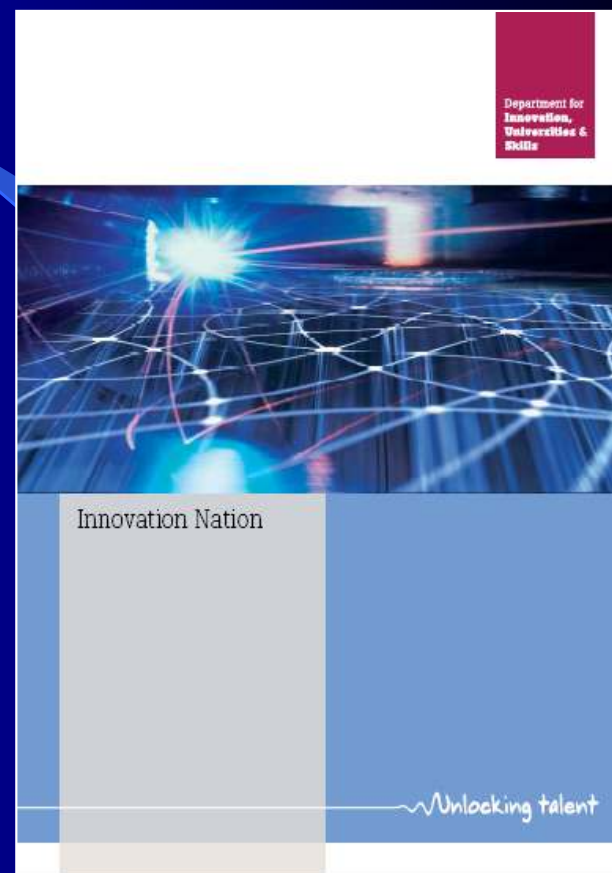
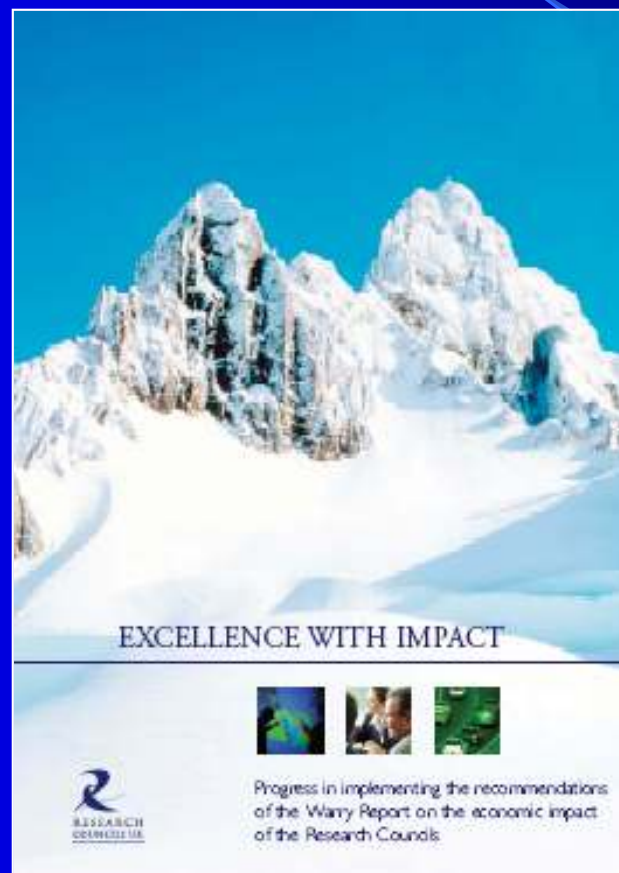
~ 9 years



The Race to the Top

A Review of Government's
Science and Innovation Policies

Lord Sainsbury of Turville
October 2007

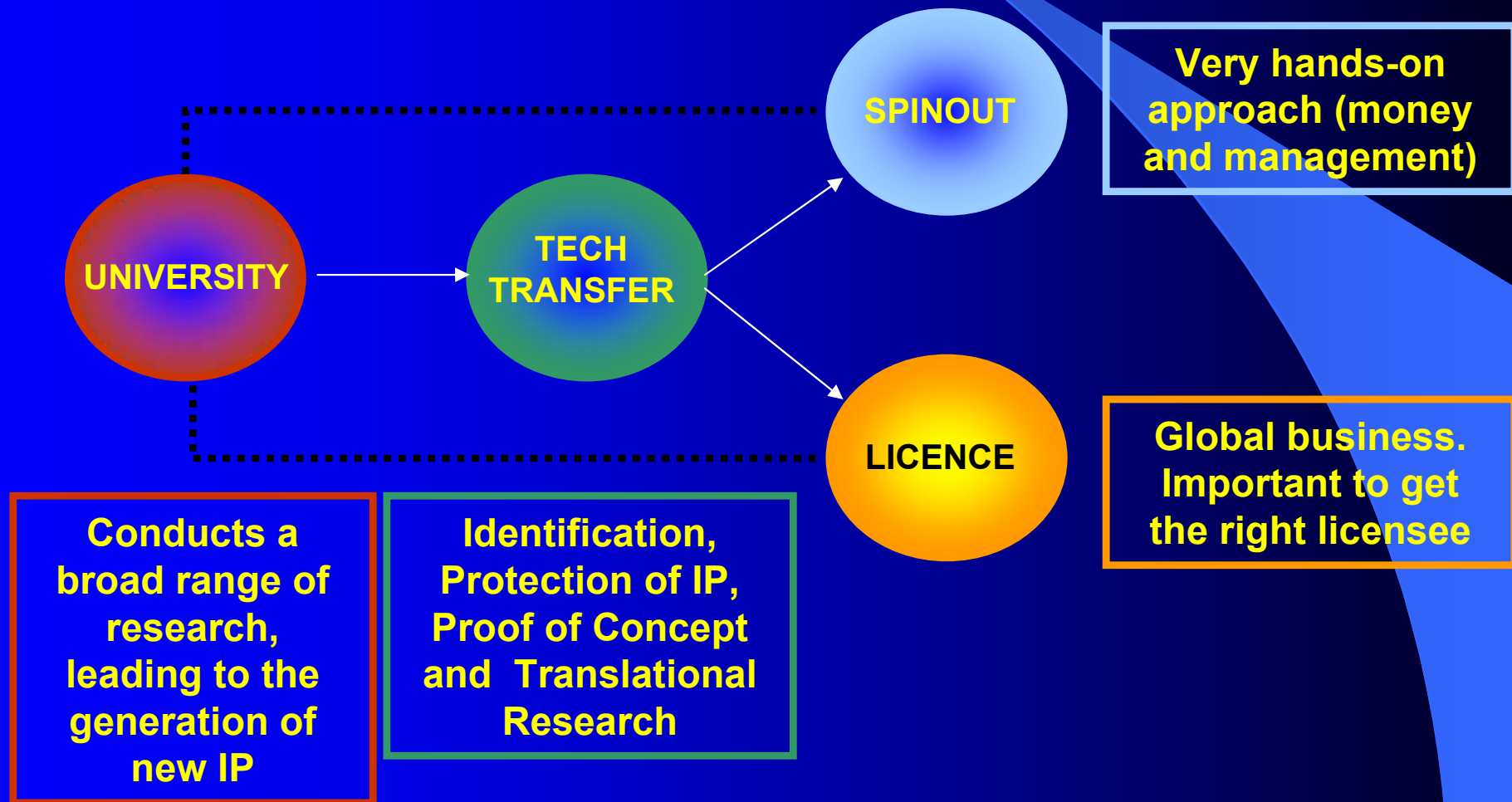


Benefits of Technology Transfer

- **Facilitates further development of research ideas for the benefit of society**
- **Helps motivate researchers/inventors**
- **Encourage further collaborations**
- **Helps bring reality into the laboratory**
- **Create opportunities for employment**
- **Generates income (unfettered)**

Technology Transfer Process

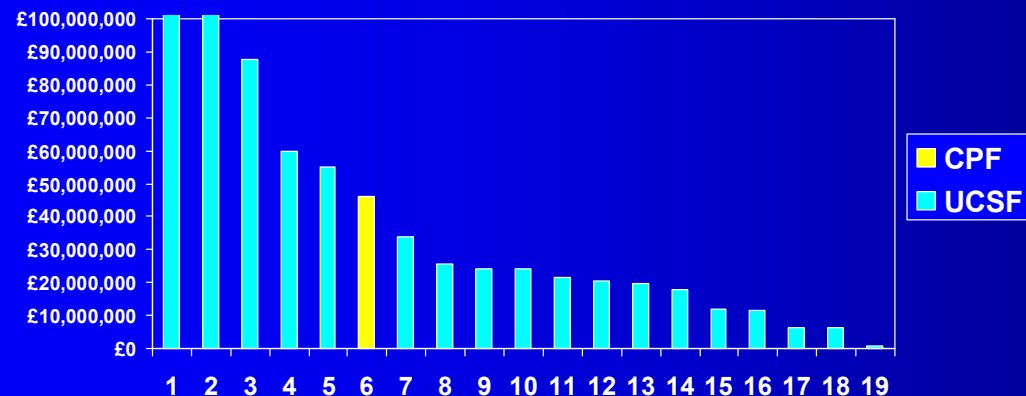
CREATION → COMMERCIALISATION



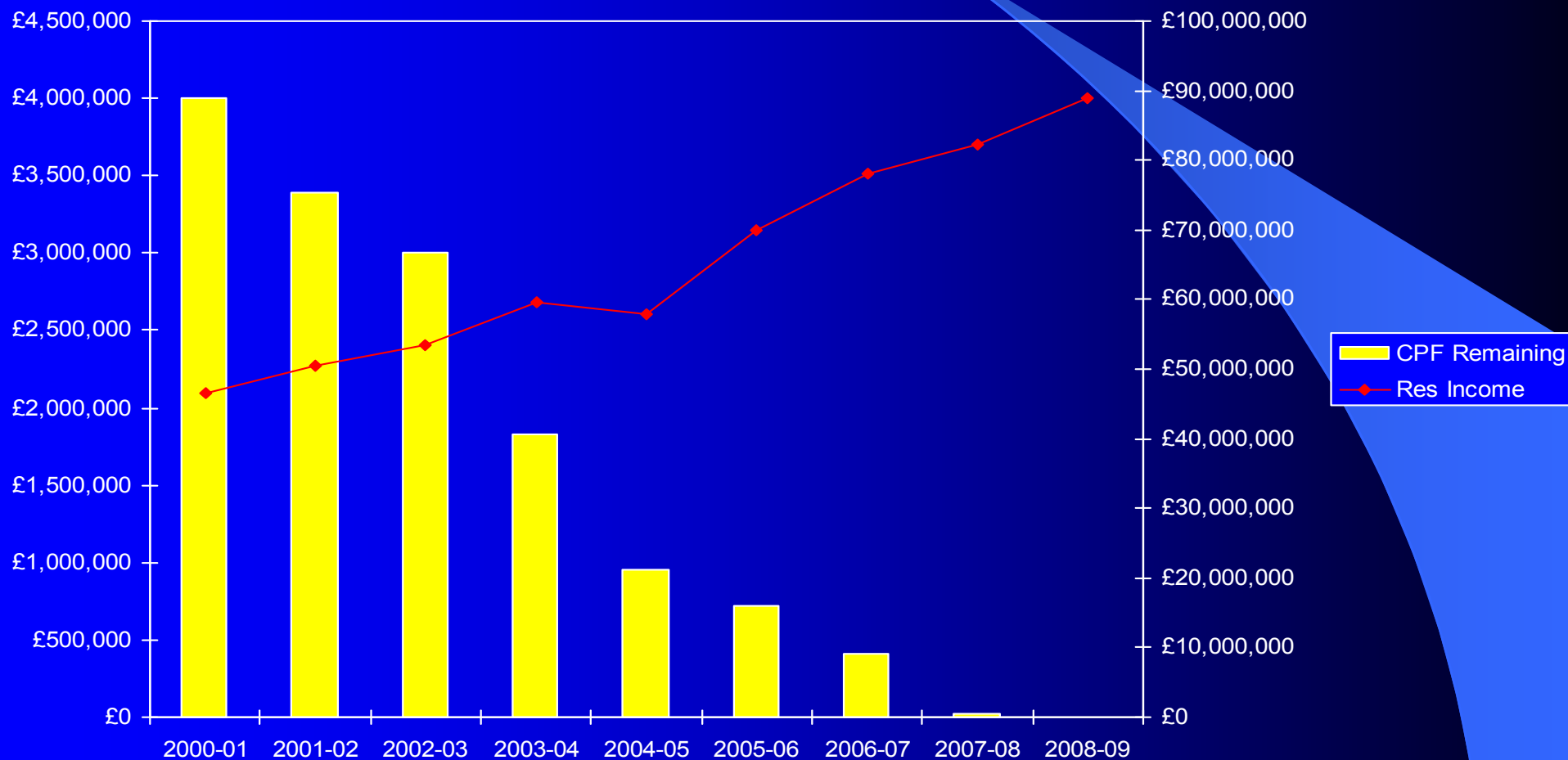
Cardiff Partnership Fund (CPF)

- **£4M seed venture fund (UCSF) – est. in 2000**
- **Funded 38 projects including 11 spinouts**
- **CPF projects have levered >£46M in follow-on funding/investments**

UCSF Follow-on investments (2009)



Cardiff Partnership Fund Spend Profile



Cardiff University Licensees



- £1.5M in IP income last year
- Top ten of the Russell Group
- Responsible for between 77% and 94% of all IP Income in Wales

Fusion/Cardiff Model

- **Established model**
- **10 year term**
- **Access to ring fenced funds (£8.2M) via an AIM floatation**
- **Hands on management team (company makers)**
- **Dovetails with existing activities/functions**
- **Investment MoU with Finance Wales (£130M)**
- **University received a major shareholding in Fusion IP Plc (valued at £17M) – helps align goals**
- **University receives monthly payments**

Fusion-University Agreements

- Fusion's university agreements provide the exclusive rights to two of the UK's leading Russell Group universities
 - A combined research spend of just under £180m research spend per annum
 - 9% of the UK's total research spend through these elite universities
 - The intellectual property output of over 5,000 academic staff

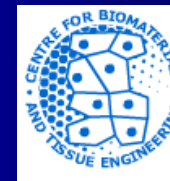


10 year pipeline agreement for all IP running to 2015 (bio) 2018 (rest)

11 companies in portfolio

Specialist research centres include:

85 new disclosures in 2008/9



10 year pipeline agreement for all IP running to 2017

10 companies in portfolio

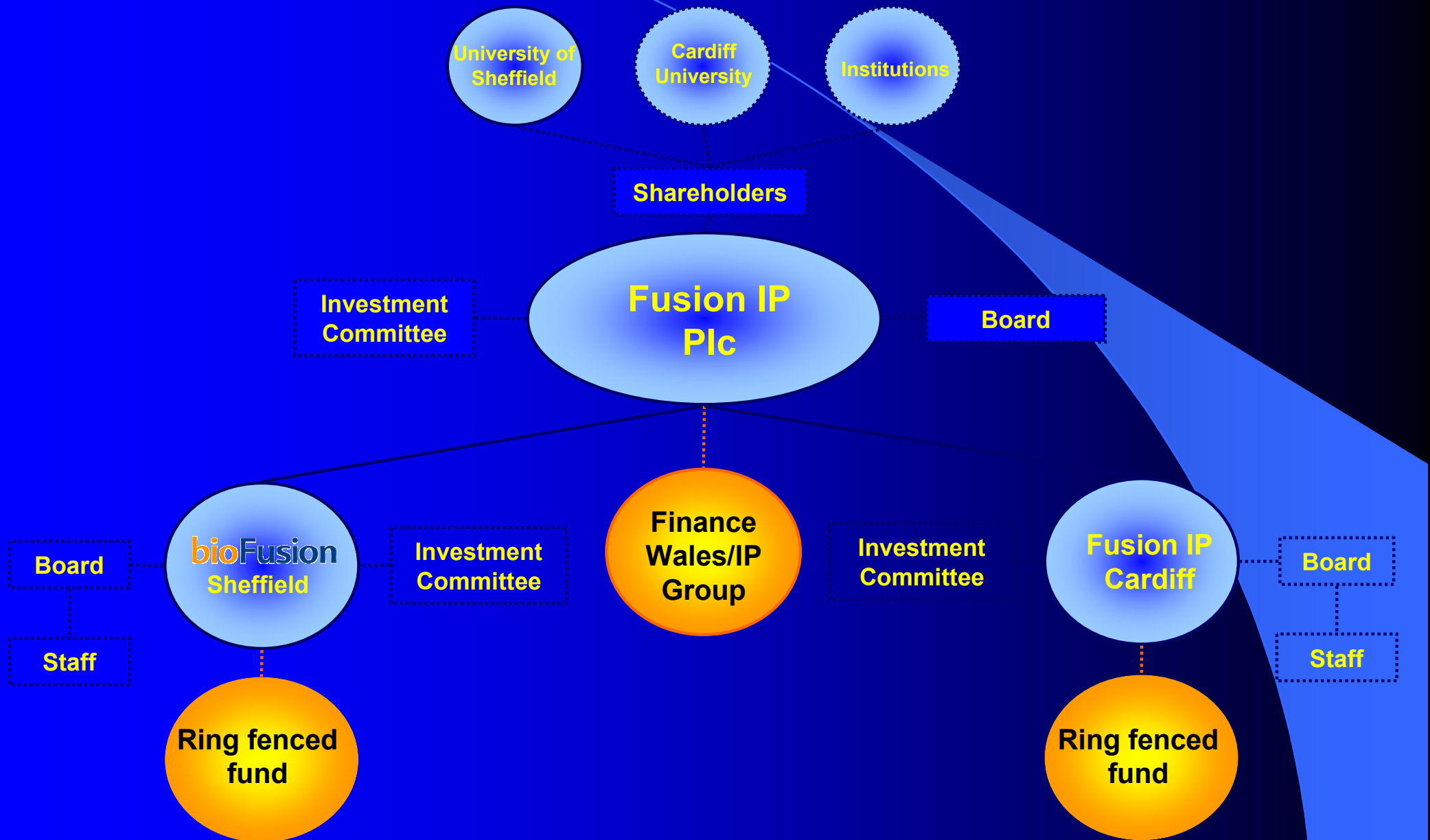
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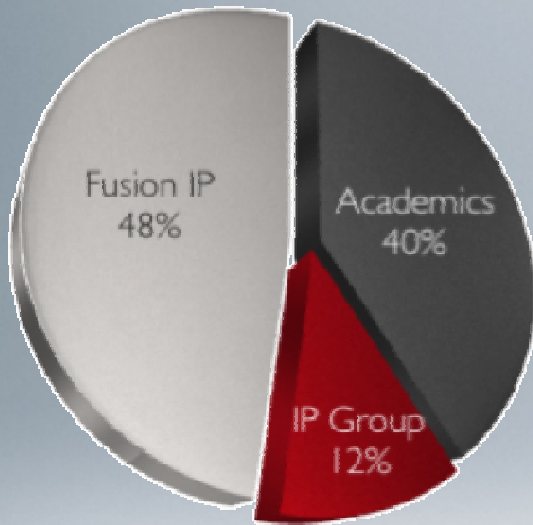
Invested £3.2M

Levered £10M

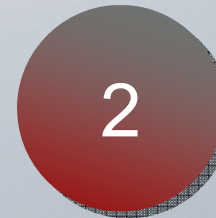


The fusion model

- Academics
- IP Group
- Fusion IP



- * Assign research contracts/recruit
- * Insert rower and provide management experience
- * Provide initial funding



- * Recruit senior management
- * Develop and grow the business
- * Raise third party funding



- * Reduce involvement
- * Trade sale or IPO

Fusion IP

Up to £200k

Up to £500k

Investment partners

As required

As required

As required

Third Party Investors

As required

As required

Portfolio Company Status

1

Start-Up Stage



2

Investment stage



LIFESTYLE
CHOICES



3

Trading phase

