



Licensing Novacq™ in China

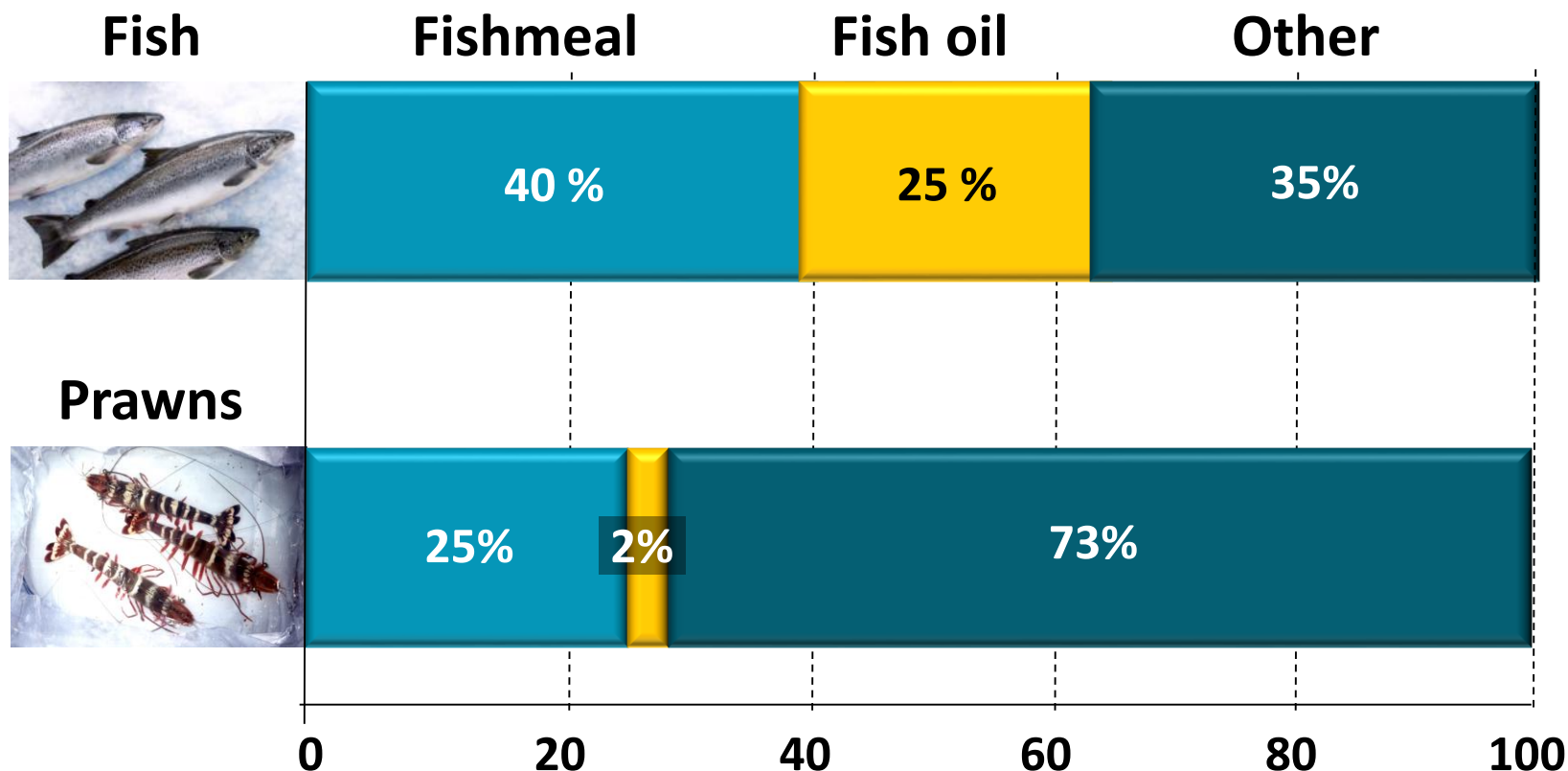
CSIRO FOOD FUTURES FLAGSHIP

www.csiro.au

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The problem: The use of wild harvest fishmeal and fish oil to feed farmed fish and prawns



The solution: Cost-effective alternatives to wild harvest fishmeal in prawn feeds

After 10 years of research, CSIRO has delivered the Novacq™ prawn feed additive technology to China. Prawns fed with Novacq™ grow on average 20-30% faster, are healthier and can be produced with no fish products in their diet, a world-first achievement in sustainability.



What is Novacq™



Novacq™ is a marine bioactive molecule
海力素™是一种海洋活性分子



Novacq™ has clear growth promoting effects – 30%
海力素™有明显的生长促进作用



Novacq™ has been extensively tested in Australia and Asia
海力素™在澳洲和亚洲已经得到广泛的试验验证



Novacq™ has been tested in both Vannamei and Monodon
海力素™在南美白对虾和斑节虾上都通过了测试



Novacq™ enhances viral and bacterial resistance
海力素™能提高对病毒和病菌的抵抗能力

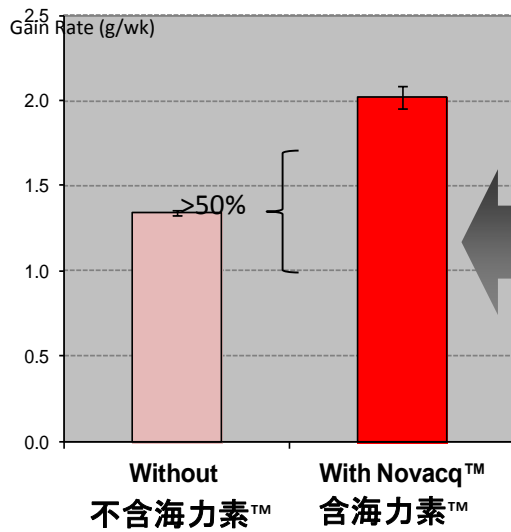


Novacq™ effects are additional to other bioactives
海力素™对其他活性物质有补充作用

其他详细资料可登陆我公司网址 (www.maritechchina.com) 或来电索取资料

海力素™ 产品介绍

Novacq™ Product



Novacq™ production in China



广东美瑞科海洋生物科技有限公司
Guangdong Maritech Marine Biotech Co., Ltd.

China's place in the global prawn feed market



The commercialisation challenge?

- Which business model?
- Which partners?
- Technological hurdles
- Skills availability/training
- Capital requirements
- Cultural and legal issues
- IP management



Risk management

- IP leakage greatest concern to CSIRO and Maritech
- Risk mitigation strategy – partner selection
- Invested time building the relationship
- Invested time in understanding capabilities
- CSIRO working on ‘next generation’ of Novacq™
– provides leverage that minimises risk
- Contract customised for deal



CSIRO's long path to China

- 2002: Research started on Novacq™
- July 2006: International business plan developed
- Jan 2008: Internal research of market and industry
- Feb 2010: Initial discussions with Maritech and other companies
- Jul 2011: External consultant – market/company analysis, due diligence, introductions
- Sep 2011: Technology Evaluation Agreement (TEA) – multiple stop/go points
- July 2012: TEA complete, Option executed. Negotiations start for licence and internal approvals
- July 2013: Licence executed

Win-win outcome

- Exclusive 20 year licence + option
- Royalties are performance-based
- Significant R&D investment to CSIRO
- Professional development
- Economic and sustainability for Chinese prawn farms
- Greater understanding of Chinese market
- Production knowledge shared



Negotiation process

- Steering Committee of three CSIRO and three Maritech members
- Committee members comprised of BD, Science, Executives
- Close cooperation and regular face-to-face interaction
- Issues escalated quickly to committee



The journey so far

- Jointly revised business plan during the three years
- Collaboratively refine technology
- Maritech's investment significantly greater than predicted
- Maritech's innovation to technology significant



The journey so far

- 50 tonnes of Novacq™ for commercial trials
- Commercial trials having good results
- CSIRO underestimated commercialisation difficulties
- Shrimp disease (EMS) impacted rollout



Our learnings

- Focus on common needs
- Downplay unsolicited xenophobia and horror stories
- Partner selection is critical
- External consultants are valuable



Our learnings

- Build up relationship reserves ASAP
- Learn from your partners experience
- Your business plan is not static – don't be proud
- Break project down into small units
- Don't over commit early



Our learnings

- Do homework on legal /business requirements
- Chinese agencies need time to authorise businesses
- Opportunities in China are enormous, but don't rush in unprepared and with unrealistic timeframes



Thank you

