OVERVIEW FOR UNIVERSITIES

JUNE 2018



Osage University Partners Overview

UNIQUE VENTURE FUND THAT PARTNERS WITH RESEARCH ORGANIZATIONS TO INVEST IN THEIR SPIN-OUTS BY EXERCISING THEIR PARTICIPATION RIGHTS

 OUP invests in early, middle, and late stage spinouts in all sectors, including life science, software, advanced materials, semiconductors, clean energy, and more

PARTNER ORGANIZATIONS SHARE IN OSAGE PROFIT AND BENEFIT FROM SIGNIFICANT SUPPORT IN LAUNCHING AND PROMOTING START-UPS

- Institutions share in OUP's fund profit in return for assigning Participation Rights
- OUP provides programmatic support to TTOs and their start-ups to promote funding activity, hiring, strategic partnerships, and the overall entrepreneurial ecosystem
- OUP shares proprietary data with partners on start-up progress, financing trends, and more

OUP I HAS A STRONG PORTFOLIO WITH MULTIPLE EARLY EXITS

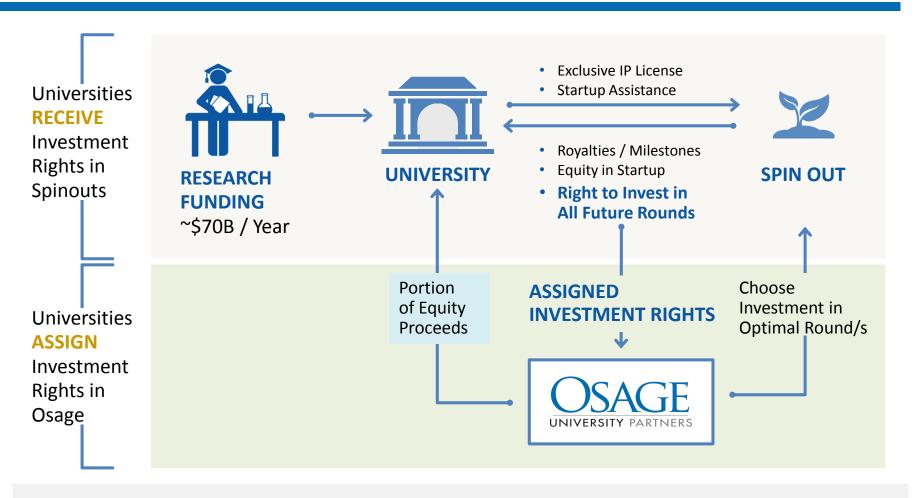
- OUP I is a \$100 million fund that made its final initial investment in February 2015
- OUP I made 39 investments and already has had 7 excellent exits 5 IPOs and 2 M&A events

OUP II GOING STRONG

- OUP II closed on an oversubscribed \$215M+ fund in March of 2015
- The fund has thus far made 46 investments, with a target of ~50
- Several exits so far, including 2 M&A events and 5 IPOs
- Currently fundraising for OUP III



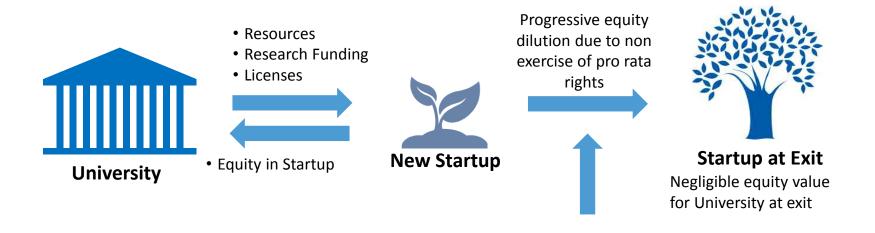
Contractual Investment Rights 101

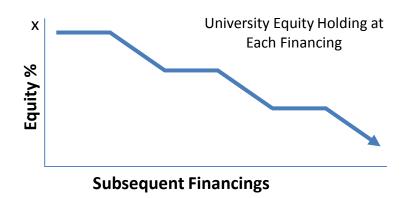


- Institutions have contractual rights to invest in their spin-outs that they INFREQUENTLY EXCERCISE
- The rights provide CONTRACTUAL ACCESS TO OVERSUBSCRIBED/COMPETITIVE ROUNDS led by top VC's
- The RIGHTS SURVIVE ALL ROUNDS, so the rights holder can pick and choose which round to invest in



Osage Solves the Problem of Vanishing University Equity



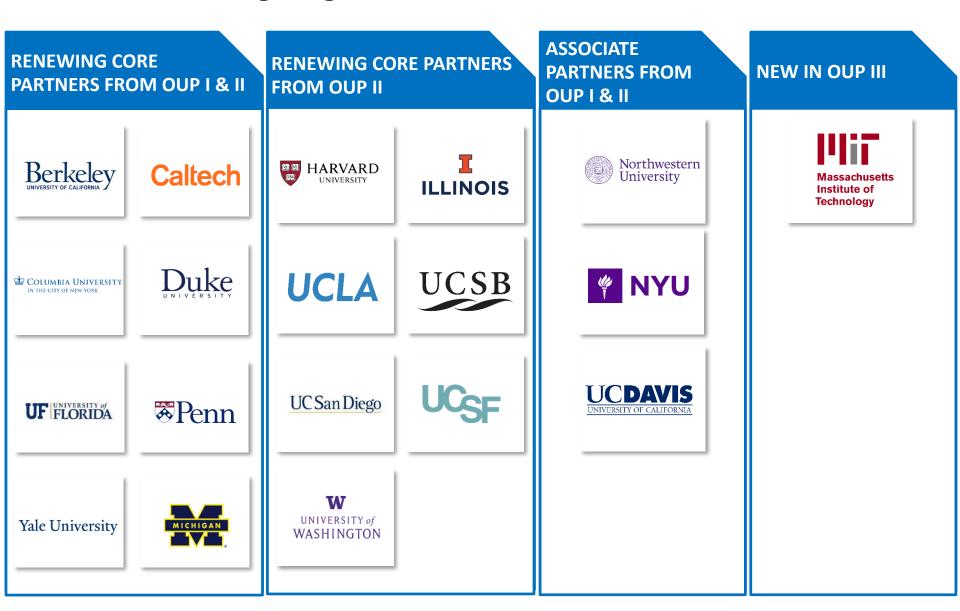


DIMINISHED ECONOMIC GAIN

In a study by a partner institution, regardless of starting equity percentage, the average equity holding at exit was **0.6%** across all sectors



Core Partners Assign Rights for Investment Period of OUP III





Associate Partners Assign Rights on a Deal by Deal Basis







































































































































DEAL SPECIFIC RIGHTS

Investment rights assigned on a deal by deal basis; retain 50% co-investment right

BROAD EXPOSURE

Diverse group of institutions provides comprehensive exposure to university startup landscape



OUP – Associate Partner Value Add

Introductions

 Proactively connect promising technologies and start-ups from partner universities with potential investors, entrepreneurs, and strategic partners

Deep Insights From OUP's Proprietary Data

- Provide detailed information to partner institutions on the status of their spin-outs and overall commercialization metrics compared to other institutions and the broader market
- Sharing of diligence: OUP invests significant time getting to know the start up portfolio of each Associate Partner, allowing OUP to make fast, informed investment decisions

Researcher Engagement

- Interact with repeat entrepreneurial PIs and up and coming stars as they contemplate start-ups
- Match PIs with Entrepreneurs

License Terms Database

Database of licensing metrics for University Partners across ≈1300 licenses (and growing)

Educational Programs

- On-campus seminars for TTOs, PI's, postdocs, and grad students about entrepreneurship (VC101, Startups 2.0, VC201, Negotiations)
- Webinars focused on providing licensing officers information on specific industry sectors from the point of view of investors and entrepreneurs
- Quarterly newsletter with curated content for our partner institution TTOs



INDUSTRY-SECTOR WEBINARS

Past Webinar Topics

Life Science

- Medical Devices
- Diagnostics
- University In-House Therapeutics Development

Tech

- Cybersecurity
- Hardware
- Healthcare IT

Other

Mid-Year Financing Trends

Future Webinar Topics

- Top 10 Reasons Startups Fail (Tech & Life Science)
- Quantum Computing
- DNA Sequencing Market





https://tinyurl.com/OUPtube



Podcast: Research Realized













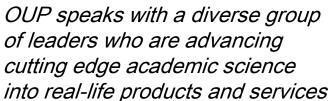


Nancy Sullivan
CEO & Managing Director
Illinois Ventures

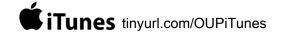














Investment Focus

ALL STAGES OF NEW VENTURES



Seed

\$100,000 to \$1,000,000



Early

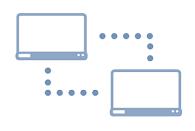
\$1,000,000 to \$5,000,000



Mature

\$5,000,000 to \$7,000,000

BROAD RANGE OF MARKET SECTORS



Information Technology



Life Sciences



Materials

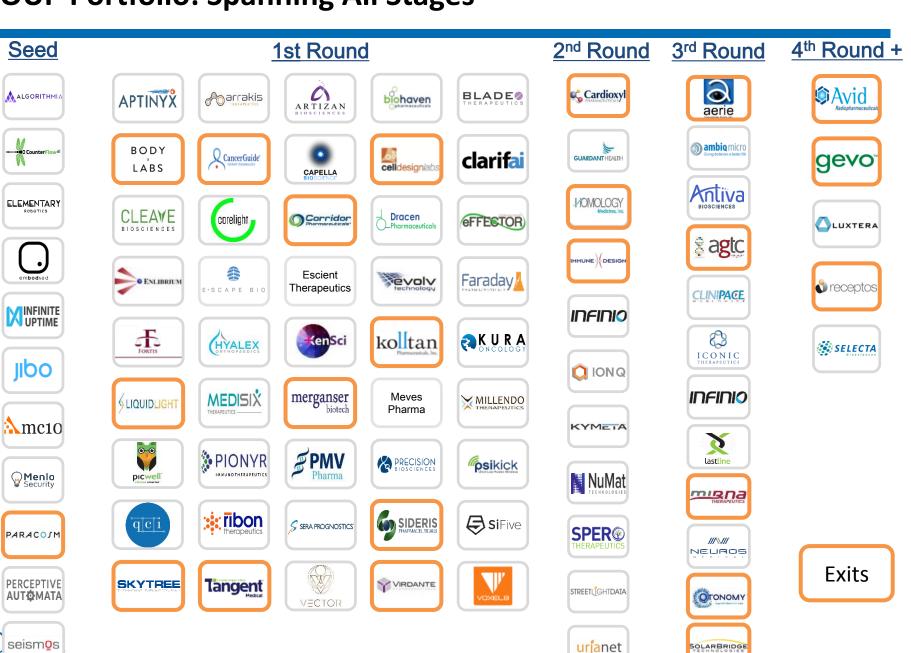


Cleantech & Energy



OUP Portfolio: Spanning All Stages

UNIV NOTE FARTINER



OUP I & II Combined Portfolio

TECH

IT / SOFTWARE corelight BODY Menlo Security JIDO picwell seismos paracosm streetlightdata urjanet skytree. HARDWARE, MATERIALS, SEMI & ENERGY ambig micro mc10 **Si**Five KYMETA LUXTERA OSIKICK **SLIQUIDLIGHT** VECTOR ***** gevo 门 ION Q **ELEMENTARY** SOLARBRIDGE NuMat

LIFE SCIENCES





Strong Group of Top Tier VCs and Corporate Co-Investors





Data Collective













































khosla ventures

















































































































Financial Benefits to Associate Partners

Participation Rights Assigned on a Deal by Deal, Non-Exclusive Basis

Participation in General Partner Carried Interest

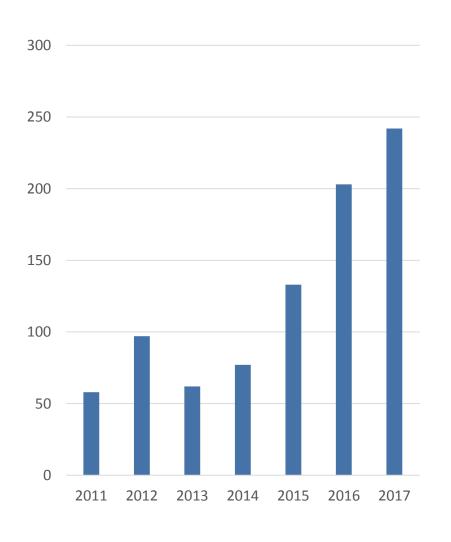
 Associate Partners are eligible for 1.25 Points of the GP's 20 Carry Points, divided among all universities based on profits generated

% of Fund Profits Generated by AP	2x Fund		3x Fund		4x Fund	
5.0%	\$	161,898	\$	323,795	\$	485,693
15.0%	\$	485,693	\$	971,386	\$	1,457,078
25.0%	\$	809,488	\$	1,618,976	\$	2,428,464

Associate Partners Retain a 50% Co-Investment Right After Assigning Participation Rights



Osage Continues to Introduce Companies to Top Tier VCs, Entrepreneurs & Corporates



OUP Introduced Deals to 242 VCs, Entrepreneurs, & Corporates in 2017































































Participation Rights Are the Key

Participation Rights exist to provide shareholders a <u>fair</u> mechanism to protect themselves against dilution by allowing shareholders to participate in future financings.

Participation Rights are not free: an investor puts capital at risk at the same time, price, and terms as the financing round

Participation Rights provide access to a <u>small percentage</u> of a financing so the rights do not interfere with a company's financing plan

Participation Rights can provide access into competitive financing rounds

Participation Rights remain active through all future rounds, even if not exercised



Participation Rights (to be included in new licenses)

4 Key Terms

- Percentage Participation Right
- Assignability
- 30 Day Notification
- Survivability

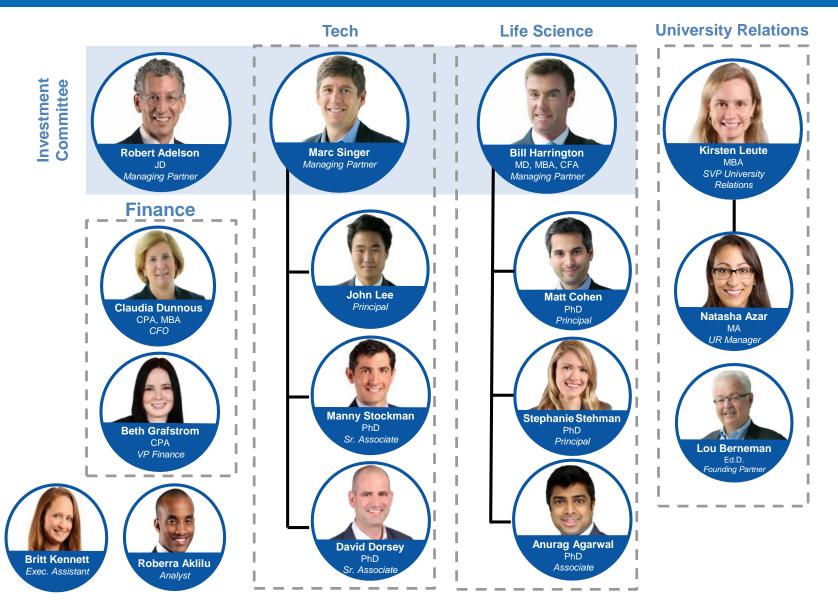
If the Company proposes to sell any equity securities or securities that are convertible into equity securities of the Company, then the University and/or its Assignee (as defined below) will have the right to purchase up to 10% of the securities issued in each offering on the same terms and conditions as are offered to the other purchasers in each such financing. Company shall provide thirty days advanced written notice of each such financing, including reasonable detail regarding the terms and purchasers in the financing. The term "Assignee" means (a) any entity to which the University's participation rights under this section have been assigned either by the University or another entity, or (b) any entity that is controlled by the University. This paragraph shall survive the termination of this agreement.



Team Has Extensive VC and University Expertise

	ROBERT ADELSON Managing Partner	MARC SINGER Managing Partner	BILL HARRINGTON Managing Partner	KIRSTEN LEUTE SVP Univ. Relations	LOUIS BERNEMAN Founding Partner
EXPERTISE	25+ Years VC & PE Investing	25+ Years VC Investing	20+ Years VC Investing	19 Years University Tech Transfer	35 Years University Tech Transfer
EXPERIENCE	 Founder, Osage Partners 1990 Managing Partner, Osage Venture Partners Trustee & Executive Committee Member, Thomas Jefferson University; Chairman Emeritus, Thomas Jefferson University Hospital 	 Co-Founder, Osage University Partners Founder and General Partner, BEV Capital '97- Present Senior Associate, Consumer Venture Partners 	 General Partner, Three Arch Partners '99-'12 Interventional Radiologist '90-'99 CFA Charter Holder 	 Associate Director, Stanford University Office of Technology Licensing '96-'15 Board Member, VP Membership, VP Communications, AUTM '07'09, '13-'16 	 Strategic Advisory Board Member, Healthcare Royalty Partners '09-Present Managing Director, Penn Center for Tech Transfer '95-'05 Former President, AUTM Former Vice President, Licensing Executives Society
EDUCATION	Yale University, BA Yale Law School, JD	Wharton School at UPenn, BS	Harvard Med, MD UC Berkeley, MBA Tufts, BS	Wellesley College, BA Santa Clara Univ., MBA	Columbia University, Ed.D.
OCACE	Investment Comm	nittee of Experien	ced Investors	Growing University R	elations Team

OUP Team Structure



Summary

Novel Venture Fund helping research organizations gain more upside from their spinouts and create more startups

Partnering with 97 Universities and Research Centers covering a significant portion of research spending in the US

Uniquely Positioned in the overall university and venture capital universe to help promote entrepreneurship and reduce inefficiencies in the tech commercialization ecosystem

80+ Total Investments across multiple sectors and stages of company development, co-investing with most of the top-tier venture funds





UNIVERSITY INNOVATION, REALIZED.

SUMMARY

Osage University Partners (OUP) invests in startups that have licensed technologies from universities and research institutions. OUP has partnered with over 90 academic institutions to invest in pioneering technologies and visionary entrepreneurs targeting large market opportunities. The Fund invests across a range of technology sectors and company stages, and typically co-invests with other leading venture funds.

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