

New York, NY – Scale Facilitation Partners: The commercialization of Australian innovation has formed the very basis of our global business. Engaging our Australian formation company SaniteX Global with Australian university and research organizations and recognizing perceived barriers to collaboration and commercialization, were the genesis of our approach to commercializing innovation – Scale Facilitation™.

In 2020, SaniteX Global required third-party software and AI technology development services to assist in the development of a cloud-based platform (re-open.com) to house software applications, initially targeting the re-opening of schools, offices, and other infrastructure recovering from the COVID-19 pandemic.

The search began with the CSIRO's Entrepreneur Programme and their Innovation Connections service, the promise of access to grant funding proving attractive. The facilitation team at CSIRO (Mike Sewell and Joe Dodd) were incredibly effective in understanding the needs of the company [1], providing available research resources to assist with the project, and connecting the two parties. This process proved invaluable to the company and in hindsight planted the seed for what was to come in the following 18 months.

In this instance, Deakin University's Applied Artificial Intelligence Institute was the recommended research organization, given their expertise in the field and the local connection to SaniteX Global, which is also based in Geelong.

The project initiation was relatively straightforward, with the university providing its standard research framework agreements (RFA) and only minor edits required around the allocation of IP, given the time and capital invested by SaniteX Global.

The true collaboration between SaniteX Global and Deakin University yielded not only the re-open.com platform but also the Smart Analytical Model (SAM) app that is available on the platform. [2]. The collaboration proved so valuable that SaniteX Global committed \$1,000,000 to Deakin University for ongoing collaborative projects in the 2021/2022 financial year. Further success followed with recent news of Samsung adopting another re-open.com app (VMS – Vital Monitoring System) within their new Galaxy4 watch. [3]

Concurrently, SaniteX Global had been in discussion with CSIRO around the development of a product for a potential U.S. market opportunity that had made itself known to the company. SaniteX Global contracted CSIRO to conduct initial research into the opportunity (which is still ongoing). The initiation of this work was not impeded by contracts or agreements. This partnership though, with Australia's national science agency, did illuminate the opportunity to take Australia's research capability and scientific expertise to the world.

As the collaboration with Deakin University progressed, SaniteX Global's networks and channels to foreign markets piqued the interest of Deakin's A²I² team and the partnership

explored ways that SaniteX Global could help Deakin, and others, find adoption partners for technology that had, to that point, not been commercialized or was in the early stages of development. Healthcare technologies, developed by Deakin in association with researchers at the Alfred Hospital, were lying dormant while a global pandemic raged. Lifesaving, clinically proven technology developed by the National Trauma Research Institute (NTRI) was not being utilized. [4]

It was this process and these discussions that led SaniteX Global to pivot and become a scale facilitation company. In the way the Innovations Connections team facilitated the connection of industry to research partner, SaniteX Global facilitates the connection of innovators and inventors to the right adoption partners, in global markets, who will scale their innovations.

When it comes to translating great science into commercial outcomes, we realize researchers face several barriers. These barriers include funding, establishing commercial entities to undertake transactions, protection of IP and their interests, and acknowledging regulatory burden among others. This is where Scale Facilitation™ was born.

Scale Facilitation Partners (SFP) facilitates researchers with access to capital markets and investment into Australian R&D. Investment can be made into an R&D project at pre-determined milestones throughout its development, providing liquidity for investors and ongoing finance for the project. Funding is provided through our Scale Facilitation Investment Fund. These are managed funds which are vehicles for private investment into very early to early-stage portfolio companies.

Scale Facilitation Operations (SFO) handles company creation activities and regulatory compliance. It also leverages its significant networks and multiplier partners to identify and engage strategic commercialization partners for each project it invests in to ensure the adoption of the innovation. Our close working relationship with the U.S. special operation community has led to SFP recruiting numerous U.S. special operations veterans to help drive research projects underpinning our portfolio companies to successful and timely completion.

Digital Scale Facilitation (DSF) is the digital content arm of Scale Facilitation™ and assists portfolio companies in marketing, branding, websites, and content creation, including both audio and visual. DSF is engaged early in the formation of portfolio companies and supports them throughout their journey to commercialization where they will ultimately assist in branding and marketing the realized innovation.

Innovation Security (I-SEC) is the liquidity arm of Scale Facilitation™, providing support to portfolio companies during their critical research and development phase with liquidity strategies, back-stop facilities, and expertise. ‘Cash is King’ for all entities but it is especially

critical for new ventures, I-SEC frees up valuable time and energy for key research projects and for company personnel to focus on completing projects.

The Scale Facilitation™ model affords researchers and innovators the ability to have their early-stage research funded by private investment, provides channels to market and adoption partners when the innovation is market-ready, and reduces risk for the university.

Standardization and uniformity can indeed promote confidence in both industry and research to collaborate, and we support the standardization of agreements in the hope it will foster collaboration. Uniformity is a key aspect of the Scale Facilitation™ model, designed to provide investors the confidence to invest across our portfolio companies. However, when it comes to commercialization outcomes, it seems that more than uniform documentation is needed, a cultural shift within the higher education sector is required.

There appears to be a tendency within the sector to ‘guard’ rather than ‘utilize’ IP. While the protection of IP generated by the tireless work of researchers is critical, it is ultimately futile if the IP remains on the proverbial shelf. A model that protects the interests of the university while simultaneously being able to facilitate the adoption of the IP by industry is the ultimate scenario. Universities should be aware of the potential for IP to be exploited unscrupulously, but this should not manifest in an unwillingness to collaborate.

To unlock the true value of the IP generated by universities it needs exposure to markets. Licensing appears the go-to model for commercializing IP, however, universities should remain open to alternatives, including equity ownership, which can provide alternate revenue streams via liquidation of equity and dividends, while still offering licensing revenue.

Speed to market is also a factor to consider in commercialization, particularly in fast-moving fields like technology. If IP is not commercialized promptly, it can become redundant quickly and opportunities to realize returns on investment are lost. Having a commercialization partner identified and engaged from an early stage in the research and development of innovation can aid significantly in the likelihood of adoption and reduce the time to market the invention.

Developing trust with the research industry is important for industry and commercialization partners to be able to collaborate and help bring innovations to market. It is critical that external parties transparently interact with universities, and vice-versa, to foster collaborations that will yield commercial success. We have all heard stories of bad actors attempting to take commercial advantage of an innovator, hence the protection of IP. Here, standardization of processes may help, but ultimately the performance and conduct of the collaborators will guide the universities in their willingness to work with external parties.

What would be beneficial is increased awareness in industries of the opportunities to engage with university researchers, increased awareness in researchers of the potential opportunities in the market, and the industry having a better understanding of the state-of-the-art innovations being churned out by our research institutions and their availability to be adopted.

One challenge for universities is to think internationally when commercializing. This has the obvious benefit of exposure to more and varied markets, increasing the probability of optimizing the return seen on the innovation. Looking internationally can be difficult unless you have true international networks with real experience in foreign markets. Understanding how government interplays with industry, and of the local regulatory frameworks is often a significant barrier to commercializing in overseas markets.

The more we can allow IP generated in our universities, which are world-leading, to be adopted by industry the more humankind will advance. At the end of the day, researchers work so their ideas might materialize and not just remain words on a page. By incorporating some or all of the learnings from our Scale Facilitation™ approach and the success it has seen, we have a real opportunity to help turn Australian '**research into reality.**'

Footnotes

1. <https://www.csiro.au/en/work-with-us/funding-programs/programs/Innovation-Connections/SaniteX-Global>
2. <https://nypost.com/dispatch/this-company-is-dedicated-to-safely-re-opening-schools-post-covid/>
3. <https://news.samsung.com/au/samsung-partners-with-deakin-university-national-trauma-research-institute-ntri-and-SaniteX-global-to-launch-trial-of-vital-monitoring-system-on-galaxy-watch4-for-safe-and-convenient-covid-health>
4. https://www.businessnewsaustralia.com/articles/how-the-technology-that--no-one-in-australia-wanted--launched-with-samsung.html?_cf_chl_managed_tk__=pmd_ZVMuGHHOelp2ZNc77S1id78fsVL8diVe5lur96XUtKA-1634481550-0-gqNtZGzNA3ujcnBszQpR