



5iTech, LLC

Cross-border Collaboration in Technology

A Path to Sustainable Growth and a Better World

World Russia Forum 2006

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INTERNATIONAL TECHNOLOGY CAPITALIZATION & COMMERCIALIZATION

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Introduction to 5iTech

5iTech, LLC



- 5iTech partners with Russian inventors in order to bring innovative products to US and other western markets.
- Works with Russian Companies expanding into US
- Assists US Companies seeking goods and/or partnerships in FSU
- Examples of startup success
 - Imalux Corporation (\$10 Million invested, ≈ \$1M Grants, valuation >\$20M)
 - Aelita Software (Sold in 2004 for \$130 Million)
 - **Polott was Tech Transfer Counsel**
 - Aria Analytics (2nd Round, valuation = \$6M)
 - Oculatek (launched, valuation ≈ \$7+M)

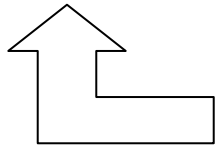
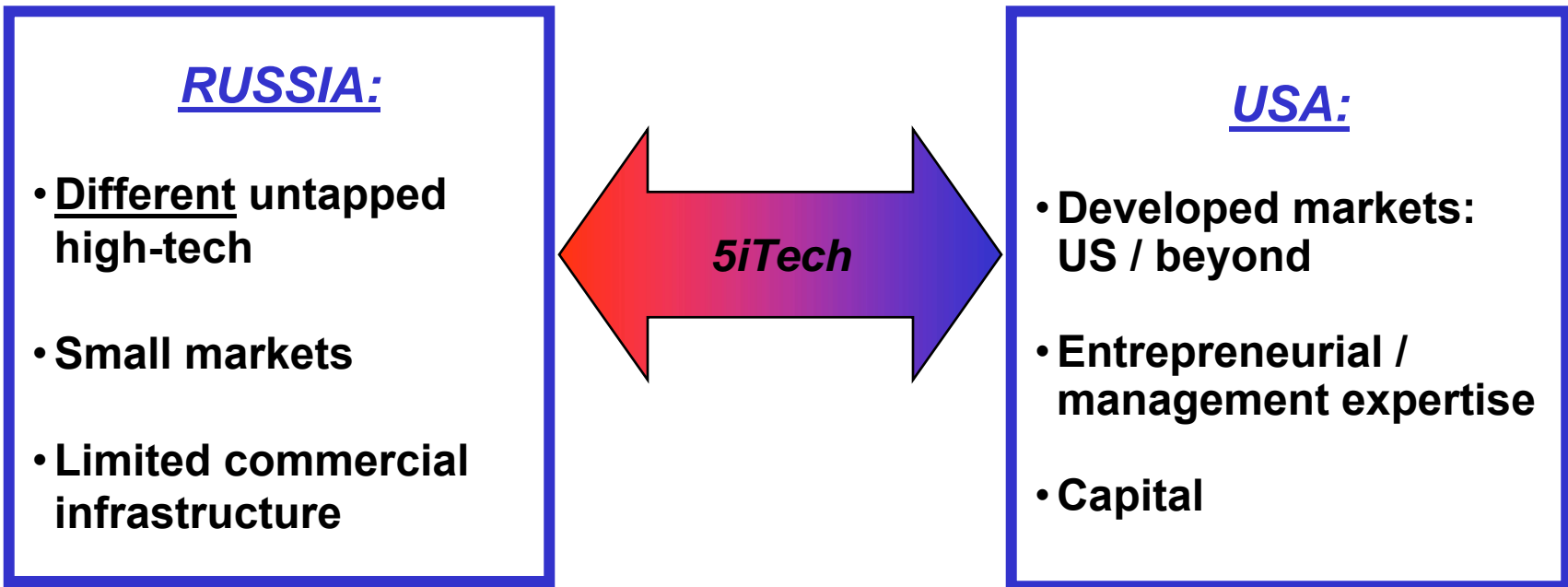
Cross-Border Collaboration

→ A vehicle for Local Growth

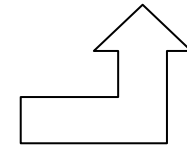
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- **Technology innovation = growth PROVIDED innovation enters the stream of commerce**
- **Majority of innovation in US in small to mid-size companies**
- **Highly entrepreneurial**
- **Supported by risk capital**
 - No large R&D staffs
 - Always seeking an edge
 - Always in need of cash
 - Always seeking efficiency

R&D seeks access to markets = opportunity for innovators and businesses



***Collaboration = Opportunity and Growth
on both sides***



Cross-Border Collaboration

→ A vehicle for Local Growth

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Partnerships with Russian innovators offers tremendous benefits to such companies and their investors

lower cost R&D

true value is in the differences – diversity of ideas and approaches

Effective collaborations, ... joint R&D

built for short and long term economic benefit of both sides

Should be encouraged and supported by economic development policies and agencies of both countries at Federal and State level

Why?

Cross-Border Collaboration → A vehicle for Local Growth

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... Why?

... Because

Partnerships with Russian innovators offers tremendous benefits to US companies and their investors

**true value is in the differences --
diversity of ideas and approaches**

Benefits must go to both sides

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- **In any given deal there is**
 - pressure on the parties to try to grab the lion's share and
 - there are significant trust issues
- **In US / western only deals we tend to gloss over much of this**
 - Through perceived like-mindedness and
 - By over reliance on veneer of the legal system
- **In cross-border deals the differences = fears are emphasized and must be addressed**

Fairness and Perception are Critical

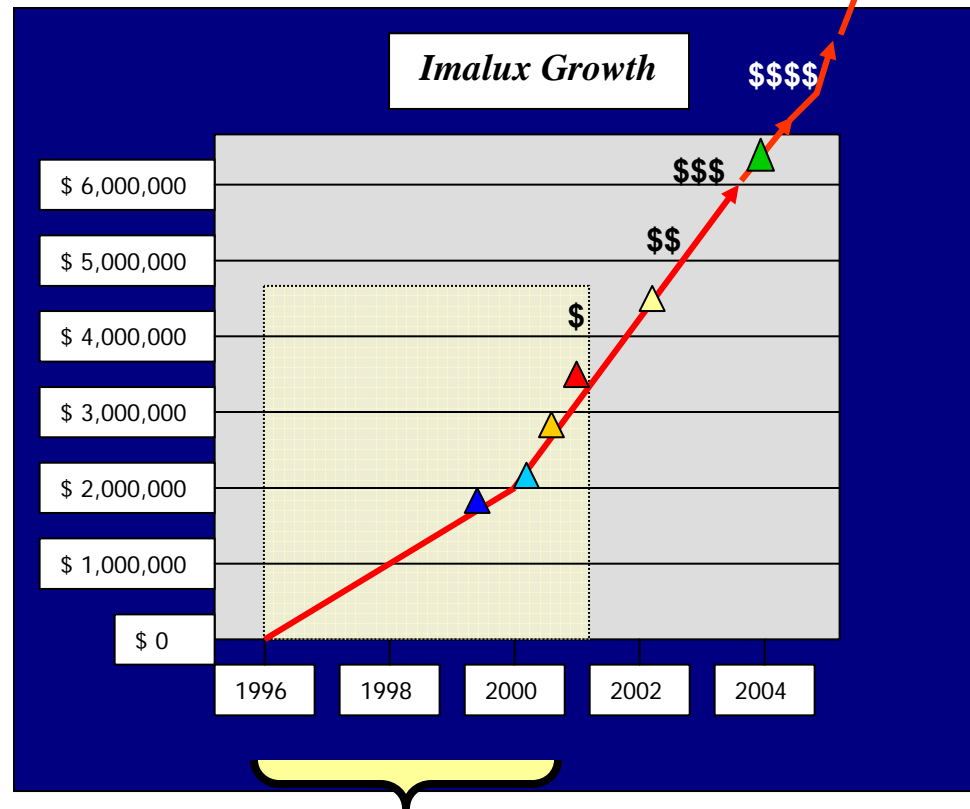
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- **Fair dealing must be productively supported**
 - Ohio Dept of Development, for example, has recognized the need for growth on both sides of the ocean and has repeatedly expressed this view in relation to the Eurasian Investment Forum
- **Advisors and consultants interested in more than the one deal**
 - 5iTech serves as the balance for its deals as we must protect our reputation in both countries to maintain our ability to access Capital in US and Inventors in Russia
 - We work to ensure that inventors participate in the short and long term returns of commercialization

IMALUX GROWTH

5iTech, LLC

- ▲ FDA approval
- ▲ \$542 k Ohio TAF grant
- ▲ \$230k grant from US CRDF
- ▲ CEO recruited
- ▲ In vivo trials at CCF begun
- ▲ \$151k from Edison BioTech Center



2005: \$20 Million +

\$\$\$\$- Dec. 04: \$4.9 MM VC Funds

\$\$\$- March 03: \$1.4 MM VC Funds

\$\$\$- Aug. 03: \$1.9 MM VC Funds

\$\$- Oct. 02: \$1.7 MM VC Funds

\$ - May 01: \$500k of VC Funds

Polott's involvement (through HLP)

IMALUX - Results

***New Equipment sales starting in
Russian and US Markets***

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IAP RAS elaborations



Imalux corporation



FDA № 21 CER 892.1560

RF Certificate

№ 29/13010104/6204-04

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IMALUX Spending

– Local Infusion of Funds

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R&D Contract \$\$ from Imalux to Russia

\$500k per year

3 years ≈ \$1.5Million in Russia

3 years ≈ \$7Million in USA

***Economic Impact on Regional Economies
will Grow as Imalux Grows***

IMALUX - Results Personnel Supported (Full and Part-time)



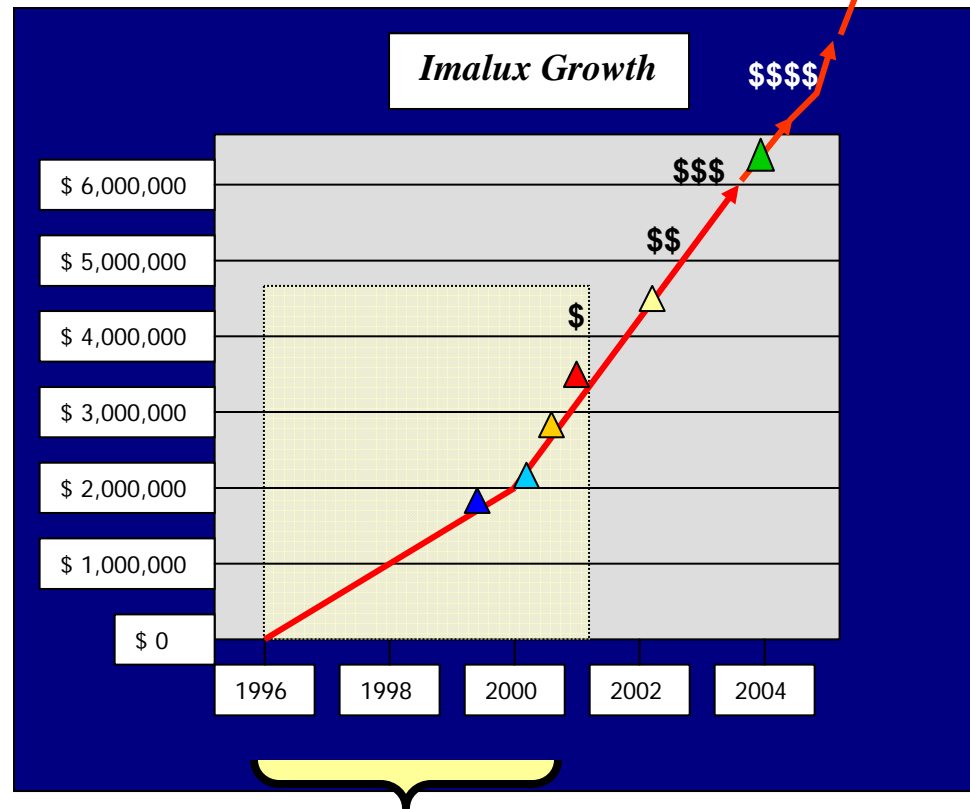
	<i>Russia</i>	<i>Ohio, USA</i>	<i>Puerto Rico</i>
<i>Medical Personnel</i>	<i>30 - 40</i>	<i>1</i>	<i>4</i>
<i>Scientific and Engineering Personnel</i>	<i>20</i>	<i>11 + ≈ 10 corporate service providers</i>	
<i>Total</i>	<i>50 - 60</i>	<i>12</i>	<i>4</i>

Total: 66 - 76

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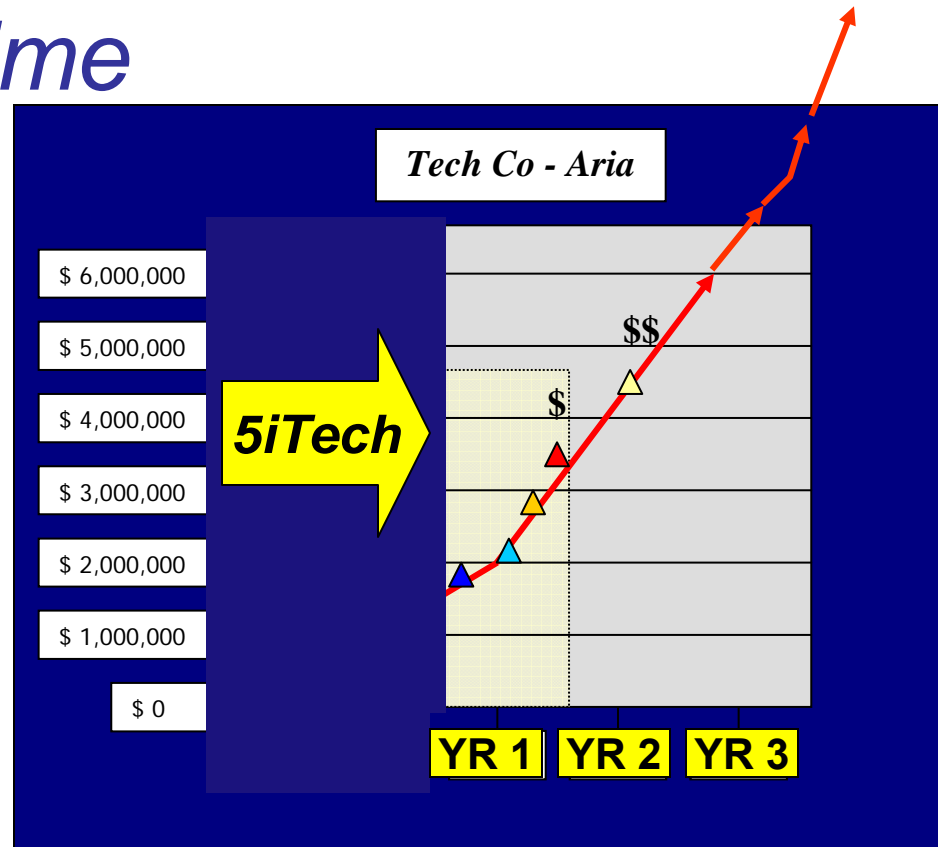
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5iTECH's ROLE:

*Compresses the Commercial
Launch Time*

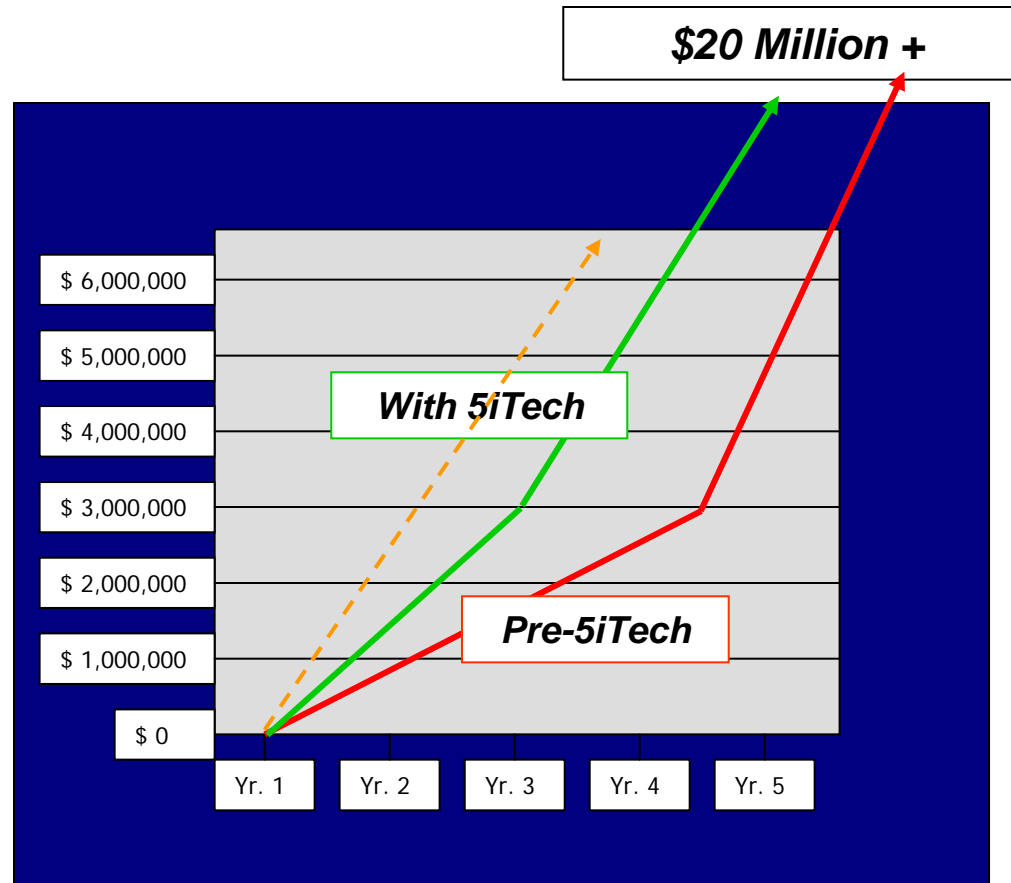
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Growth of Startup Value

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This level of growth is more easily achieved in effective US-RU deals

Increased number of such transactions will result in increased growth in both countries

Increased stability
growth of entrepreneurial middle class
small and mid-size businesses ...

Catalysts for Growth

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Growth Catalysts

Before



Investor



Institute

After



Investor



Investor



Institute



Inventor



*Entrepreneurial
Management*

*Entrepreneurially
Created Wealth
Expands Exponentially*



*So, if we focus on
creation of this type of
wealth, the jobs will
follow*

*These individuals are highly likely
to repeat the entrepreneurial
endeavor, build new entities and
generate disproportionate amount
of growth*

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