

## Call For Proposals #7 - Momentum Fund - January 2019

Tel-Aviv University faculty members are hereby invited to submit funding applications for projects with commercialization potential that are derived from their research.

Our main objective is to promote projects that are having commercialization potential and bringing them to a stage in which their commercialization value is maximized, with greater success probability. Accordingly, received proposals will be graded based on scientific and degree of innovation criteria, with emphasis on their commercialization potential, using the following key criteria:

- Clear path for commercialization
- Large market potential
- Existing and potential for future additional intellectual property
- Project duration, required investment and probability for bringing the project to a stage which will enable solid Proof of Concept presentation to potential licensors and/or investors
- PI willingness to support collaboration with external resources (CROs, Subcontractors, Domain experts) as well as appoint a professional R&D manager for the day to day work on the technology

### *Momentum Fund*

The Momentum Fund bridges the gap between basic science and leading edge “commercialization ready” technologies, a major challenge to most academic institutions around the world. The fund provides suitable level of funding, combined with professional management, structured to generate financial returns to the investors as well as the university and the scientists.

The fund, with about \$24 million committed, invests in promising breakthrough technologies in a wide range of fields, including engineering, exact sciences, environmental and clean-tech, pharmaceuticals and health-care. **With an up to \$1 million investment per technology, industry experts and Ramot dedicated support services, this venue provides you with a unique approach to maximizing the likelihood of a successful commercial outcome of your technology.**

The most promising innovations, having significant commercial potential, are selected by Scientific and Investment committees, comprised of global domain experts including Tata representatives, who will support translating such innovations into commercialization opportunities. These innovations are expected to attract multi-national companies and/or venture capital funds that are prepared to commit substantial resources for funding the technologies all the way to commercialization.

Momentum Fund's selection criteria include parameters such as: Solid Intellectual Property, No 3<sup>rd</sup> party liabilities (IP is fully owned by the university and we are not already engaged in commercialization activities), Clear path to commercialization, Large market opportunity, and the leading scientist is with track record and is ready for the required level of commitment.

Selected projects will be guided by the committees' members and fund's program manager. Approved budget will be managed based on clearly defined milestones and Go/No-go criteria. Given the relatively advanced nature of these technologies, it should be expected that portion of the work might be outsourced in order to enhance the value of the technology.

For this round, Momentum Fund offers another opportunity for funding, with a budget of up to \$100,000, for exciting breakthrough technologies, which currently does not meet all criteria for full project, but will mature with some additional research. The proposals for such "seed" projects should indicate how suggested research will enable the technology to meet the criteria for full MF project.

### ***Pre-Proposal Request Submission***

Please proceed according to the following guidelines:

- Fill sections 1, 2, 3, 6, 7, 8, 9, 10, and 11 of the attached form. Please keep this up to 10 pages
- Send the completed form by February 10, 2019 to either Dr. Miriam Mangelus, Director of HealthCare technologies ([miriam.mangelus@ramot.org](mailto:miriam.mangelus@ramot.org)) or Dr. Moshe Ben Chorin, Director of HighTech technologies ([moshe.benchorin@ramot.org](mailto:moshe.benchorin@ramot.org))

The proposals for the \$100,000 "seed" projects will be submitted using the same forms.

In case your proposal will be approved for presentation to the fund, a full proposal will be required.

Thank you for your cooperation!



Shlomo Nimrodi  
CEO  
Ramot at Tel-Aviv University

## Momentum Fund - Additional Information

### Key Attributes

- The Momentum Fund is supported by industry experts who will supervise the selection process, based on the commercial prospects of the project
- Ramot employs two full time industry expert Program Managers (Health-Care and High-Tech) to work with you in order to build your investment case and later on, pending selection, to manage the project all the way to a successful completion of the proof of concept. Please feel free to connect with your respective Program Manager (Health-Care: Dr. Miriam Mangelus, 054-550-0781; High-Tech/Clean-Tech: Dr. Moshe Ben Chorin, 052-834-4678)
- The investment amount can reach up to \$1 million, based on meeting agreed upon milestones. The funding will include work in your lab, work with outside subcontractors, as well as cover the cost of new and existing patents going forward
- PI compensation guidelines:
  - For your involvement with the executing project(s), the PI(s) will be compensated with Tosefet A of up to 20%, as will be decided by Ramot and in relation to the PI's involvement in program execution. In case of more than one PI, the total approved amount will be shared prorated based on their respective contribution
  - The compensation will be calculated based on the PI's base salary
  - The compensation will be bound by the university's Tosefet A procedure, based on Tosefet A and Tosefet B adding up to 55% to base salary, and that total program budget will not exceed \$1M
  - Alternatively, the fund would consider offering to pay 120% from such compensation based on meeting successful milestones that will be discussed and agree with the PI in advance.

### Investment Return Structure

The Momentum Fund raised its funds from investors, including Tata (our anchor investor), Temasek, a \$170 billion investment fund and SanDisk. Our investors expect financial returns from the licensing/commercialization future revenues.

The investment return structure is as follows:

- 50%/50% up to the return of the principal investment amount. Following that point, TAU will receive 60% of proceeds and the investors will receive 40%
- TAU's share will be split in accordance with the patent regulations: 40% to the Scientist(s) and 60% to TAU (of which 20% will be allocated for further research, half of it in the researcher's lab).  
**However, in order to encourage scientists to participate, TAU agrees to increase the Scientist(s) allocation on the account of TAU's share, for investments of up to \$500,000 as follows:**
  - Investment up to \$500K: 56% Scientist(s) / 44% TAU. From TAU's share in the proceeds, 15% will be allocated for further research
  - Investment above \$500K: 40% Scientist(s) / 60% TAU. From TAU's share in the proceeds, 20% will be allocated for further research

This means that the Scientist(s) will receive 28% from total proceeds on investments of up to \$500K and 20% on investments above \$500K. Following the return of the principal invested amount to the investors, the Scientist(s) share will increase to 34% and 24% from total proceeds, accordingly.

**These dilution rates are similar or better than industry standards as customary with the venture community and the OCS incubator program.**