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Angel Deal Spotlight

BIOANGELS INC.:

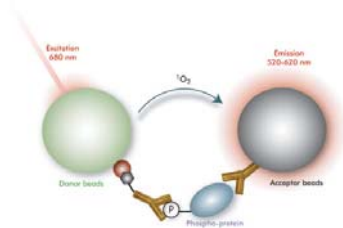
TGR BIOSCIENCES PTY LTD

June 2008

Nine members of BioAngels invested in Series B Preference Shares in TGR through a special purpose Angel Trust. The funding round raised a total of \$3.1M and included private investors, directors of TGR, Kestrel Capital, ITEK and Statewide Superannuation. The funds will partly be used to match a \$1.9M Commercial Ready grant awarded to the Company in April 2008. The Managing Director of TGR, Dr Leanna Read, is a member of BioAngels.

TGR is a biotechnology company with 26 staff that was established in 2001 as a spin-out from the CRC for Tissue Growth and Repair and is located in Adelaide. TGR applies its expertise in cell biology and tissue regeneration in two business areas:

- Discovery of novel therapeutic molecules using high throughput screening assays in cultured cells. This "SureFire[®]" technology is sold to the global pharmaceutical drug discovery market through TGR marketing partner, PerkinElmer Inc. TGR has 28 SureFire[®] kits on the market.
- An in-house pharmaceutical development program targeted towards inflammatory disease, gastrointestinal diseases, cancer supportive care and tissue regeneration. The lead product, "Lactermin", is currently in a Phase II clinical trial for the management of oral mucositis, a serious side effect of chemotherapy and radiotherapy.



SureFire[®] Cell Based Screening Kit

Further information:

TGR:
 anne.hinton@tgr-biosciences.com.au
 www.tgr-biosciences.com.au

BioAngels:
 csteeb@bioangels.org
 www.bioangels.org

Policy News

In April the AAAI Board completed a substantial submission to the Review of the National Innovation System being conducted by the Rudd Government [<http://www.innovation.gov.au/innovationreview/Pages/home.aspx>]. The submission itself can be found at <http://www.innovation.gov.au/innovationreview/Documents/169-AAAI.pdf>.

The Board is now developing additional policy initiatives designed to professionalise the Angel investment sector. The AAAI is working towards recognition of angel investment as an asset class in its own right.

Sydney Angels on the Go

In June the AAAI Board gathered in Sydney for a successful national Board Summit. On the evening prior, informal drinks were held in the Zeta Bar at the Hilton Sydney for the burgeoning Sydney Angel community. The event proved an excellent opportunity for the AAAI Board to meet with Sydney-based Angels, representatives from State and National Government, universities, private wealth groups and other people interested in supporting and/or participating in the angel space. Plans are in place and activities underway to form a new NSW-based Angel Group, hopefully the first of several.

A special vote of thanks to our NSW task force for their generous and much appreciated support.

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Angel Group Profile

BRISBANE ANGELS

Formed in late 2006, the Brisbane Angels Pty Ltd is a large group of private investors who actively invest in early stage technology companies, usually in South East Queensland, Australia. The members are typically active or semi-retired former senior business executives who, apart from financial input, can provide much needed value adding to investee companies through hands-on management experience and high level business networks.

Brisbane Angels Pty Ltd was created as a natural expansion of Archers Angels, a group of six business angel investors and public sector commercialisation managers, who have met every month for breakfast since early 2005.

Whilst the investment component of



Archers Angels has morphed into Brisbane Angels Pty Ltd, Archers Angels still meets monthly as a proactive think tank developing new initiatives to grow the investment industry throughout Australia.

The founding members of Brisbane Angels Pty Ltd were surveyed in September 2006. This revealed that prior to joining Brisbane Angels Pty Ltd members had previously made over 60 investments in start-up companies across all sectors including information technology, biotechnology, manufacturing, retail and business services.

Already Brisbane Angels Pty Ltd members have made several co-investments, with a successful exit of one investment already, returning many multiples to the investors after only six months.

As Brisbane Angels Pty Ltd grows it hopes to build strong alliances with other angel groups throughout Australia and globally.

Above all Brisbane Angels Pty Ltd will provide its members with a supportive environment in which to co-invest and to grow early stage companies.

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Angelsoft Tips & Tricks

SOFTWARE FOR THE WAY ANGELS WORK

Web: www.angelsoft.net

Since 2004, Angelsoft has been developing software for angel investors. The company strives to elevate and unify the global angel industry. With input from angel groups around the world, Angelsoft hard codes the best practices directly into software. The result is a solution used by over 450 angel groups on 6 continents.

For Administrators

Regularly check out the blog on the Angelsoft site to keep up with the latest features, bug-fixes and handy hints.

For instance, you might want to get up to speed on the new investors tab, or explore the new Open Deals.

Source	Amount
East Coast Angels (Demo Group for Angelsoft Users)	\$29,000
Elementary Angels	\$11,000
Total	\$40,000

DOCUMENT NAME	DATE
Term Sheet.doc	Jun 16, 2008
Term Sheet.xls	Jun 16, 2008
Investor Agreement.pdf	Jun 16, 2008

Investor	Amount	Percentage
All Investors	\$40,000	100%
East Coast Angels (Demo Group for Angelsoft Users)	\$29,000	73%
General Manager Admin	\$2,000	7%
Evan Bartlett	\$3,000	10%
Matthew Hamilton	\$3,000	10%
Mark LaRosa	\$2,000	7%
Ryan Pipkin	\$1,000	3%
Matt Rosen	\$1,000	3%
Jason Schwartz	\$2,000	7%
Lena Tatar	\$5,000	17%
Matthew Weber	\$10,000	34%
Elementary Angels	\$11,000	28%
Mike Bardash	\$1,000	9%
Eran Dror	\$1,000	9%
Eran Dror	\$1,000	9%
Microft Holmes	\$3,000	27%
Sherlock Holmes	\$5,000	45%

For Angels

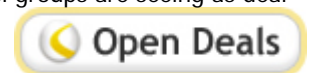
If you are new to Angelsoft, or simply haven't explored the tool before why not spend a bit of time checking it out on the web?

A good place to start is filling in your member profile. At the top right of the screen next to "Signed in as" you will see your name. Click on your name and you will be taken to your profile page. Once there you can upload a photo, link to your LinkedIn profile, detail your investment interests, provide a personal biography and describe your experience. All this information remains private, visible only to other members of your group.

Need to change your password?

Near the top of the screen, right next to the tab that says "Profile", is a tab that says "Password". Click there to be taken to a straight forward password management page.

All done with your own stuff and maybe a little curious about what the other 450 angel groups are seeing as deal flow?



Try out Open Deals at the top right of the screen. On the next screen you can select from three buttons, the newest deals, deals from other groups and the closest deals. This last is still likely to be thousands of miles!

Finally, browse the rest of that page to see all the other angel groups in the system and explore their websites.

Angel Group Directory

ANGELS INSTITUTE

Contact: Rick McElhinney
Web: www.angelsinstitute.com
Email: info@angelsinstitute.com

APOLLO13 ANGELS

Contact: Andrew Loch
Web: apollo13.angelgroups.net
Email: aloch.mail@gmail.com
Phone: +61.407.960-004

BIOANGELS

Contact: Corinna Steeb
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Phone: +61.439.889-513

BRISBANE ANGELS

Contact: John Mactaggart
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Email: admin@brisbaneangels.com.au
Phone: +61.7.3358-3627

CAPITAL ANGELS

Contact: David Malloch
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Email: david@capitalangels.com.au
Phone: +61.418.620-613

MELBOURNE ANGELS

Contact: Jordan Green
Web: aivictoria.angelgroups.net
Email: Jordan@ieee.org
Phone: +61.425.730-799

Special Offers

ANTHILL SUBSCRIPTION

Angel members get a discount subscription to the Australian Anthill. Ask your angel group administrator to arrange your subscription (he/she will need your name, postal address and credit card details).

Is your company a step ahead of the rest? An organisation of rule-making and rule-breaking leaders? To put it simply, is your company 'cool' in 2008?



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Events

AUSTRALIA

AAAI National Angel Conference
February 18-20 2009 Brisbane
Melbourne Angels Meeting
July 16th 5pm Melbourne
Capital Angels Meeting
July 30th 6pm Canberra
Brisbane Angels Lunch Series
August 7th Midday Brisbane
BioAngels Meeting
August 13th 5:30pm Adelaide
Angels Institute
2008 Australian Business Angel Awards
September 2008 Queensland

INTERNATIONAL

Annual Conference of the American National Association for Seed and Venture Capital Funds
10-12 September 2008 Detroit, USA
2008 National Canadian Angel Summit
16-17 October 2008 Halifax, Nova Scotia
EBAN 9th Annual Congress
27-28 April 2009 Madrid, Spain

Angel Activity

In early May the USA Angel Capital Association held its National Summit in San Diego. For two and a half days approximately 350 angels and angel group administrators discussed, debated and networked.

Australians attending included:

- John Mactaggart, AAAI Chairman and Brisbane Angels Chairman
 - Jordan Green, AAAI Deputy Chairman and Melbourne Angels Chairman
 - John Ballard, AAAI Director and BioAngels Chairman
 - Andrew Loch, Apollo13 Angels Director
- After the conference Jordan toured the USA visiting over 15 angel groups as part of AAAI research, to learn and to forge links for the benefit of Australian angels.

Angel Terminology

In an effort to build consistent and meaningful communications on all matters Angel, we offer the following definitions for common usage with regard to Angel Investors.

- Angel** - an individual person investing his/her own money and time in a company other than by way of a public stock exchange.
- Active Angels** - Have discretionary funds, have invested (some more than once)
- Solo Angels** - invest without reference to other angels (historical norm)
- Angel Group** - a collection of Angels who review and evaluate deals together but, the decision to invest is made individually
- Angel Syndicate** - the subset of Angels from one or more groups who decide to invest in a particular deal (typically through an aggregating vehicle, e.g. unit trust)
- Angel Network** - a mailing list of Angels used by matchmaking services and does not represent a group who review and evaluate deals together
- Angel Fund** - a pooling of investment funds from Angels and possibly from other investors. The fund makes angel stage/style investments with the decisions and administration of the fund being undertaken by appointed fund managers (preferably professionals but, not always).
- Side-Car Fund** - usually a pooling of funds from members of an angel group. The fund typically co-invests with group deals according to a formula that details how many members and how much money must be committed to trigger a co-investment as well as characterising the matching ratio and investment cap. The fund is typically managed by volunteer group members.
- Virgin Angels** - Have discretionary funds, decided to invest but, have not yet invested
- Latent Angels** - Have discretionary funds, have not decided to invest