



FINISTERE
VENTURES, LLC

Missouri Venture Partners Finistere Fund

Investor Presentation September 2008



Investor Suitability

This fund offering is not suitable for all investors. Before deciding to invest in this fund you should carefully consider your investment objectives, level of experience, liquidity needs and amount of risk (risk tolerance) that you can comfortably accept. The possibility exists that you could sustain a loss of some or all of your initial investment. This Fund is not insured or guaranteed by any bank or other financial institution.

The information herein was obtained from sources that we believe to be reliable, but we do not guarantee its accuracy. Investors are urged to read all attached prospectus material and to consult with their individual financial, legal, and tax advisor/consultant to verify the information and determine the suitability of this investment.



MVP-Finistere Fund

- Finistere awarded mandate to manage \$15M (min) venture fund by MTC
- Targeting “food, energy and health”
- Investing in early stage agbio, agritech, medical devices/diagnostics
- Target fund size is US\$15M investing across 4-6 deals
- Team members are experienced and successful entrepreneurs and investment managers
- Fund mandate to “Further the development, recruitment and retention of Missouri-based businesses engaged in innovative technologies”



Fund Target & Features

First Close	US\$15M
Fund Cap	US\$25M
Structure	Limited Partnership
Investment Focus	Early stage food/fuel/health focused companies
Capital Committed	US\$3M (MTC)
Fund Term	8 years plus 2 year extension*
Minimum Investment	US\$1,000,000
Management Fee	3.0%

* Subject to LP approval



MVP Program

- Designed to promote early stage venture capital investment in Missouri
- Finistere awarded mandate after competitive RFP process set by MTC
- Fund aims to deliver strong venture class returns to all investors
- MTC will provide US\$3M in cornerstone funding
- Fund provides not only capital but knowledge and networks that fill the gaps in transforming R&D to commercial realities: the “Innovation Ecosystem”
- Finistere’s unique strategy is built on three tiers of investment: “seed and early stage” dealflow; relocation of companies in the agbio/ agritech and medical device areas, and strategic technology investments outside Missouri






MVP Investment Strategy: “Three Tiers”

Stage	<u>Tier 1: Seed/Early</u> Develop Missouri-sourced technology investments	<u>Tier 2: Growth Stage</u> Relocation of companies to Missouri	<u>Tier 3: “Strategic”</u> Technology investments in companies outside of Missouri
Strategy	“Build” the company to investment readiness and Series A financing	Missouri serves as logical location for growth, partnerships, customers, acquirers...	Leverage of IP/technology relationship; potential R&D links, FTO
Stage/ Exit Horizon	5-7 years; Seed, through Series A financing; typical venture investment profile	3-5 years; Series A financing within 12 months of relocation	2-4 years; Series A or B financing



Finistere-MVP Fund Style

	Early	Growth	Late
Buyout			
Mezz			
VC			

-  Initial investment in early stage only
-  No restriction on follow-on investment
-  Finistere's network of co-investors



Finistere's Current Investment Model

- Fund seeks to generate liquidity & returns appropriate for the asset class
- Improve return/risk profile through investing in a portfolio of opportunities
- Construct appropriate financing to attract follow on co-investment, from our strong network of VC partners
- Provide market intelligence and networks to engage partners, customers and potential acquirers
- Leverage value of Missouri relationships
 - Pipeline of technology opportunities created in Missouri
 - Support from the State (e.g. startups, relocations)
 - Partnering with local allies (e.g. VC, incubators, technology parks and service providers)



Life Science VC Asset Class

- Venture capital is an established alternative asset class
 - Has historically outperformed public markets by 20%-25% p.a.
 - Further enhances risk/return profile for alternate asset portfolios
- Life sciences is also a non-cyclical defensive investment sector
 - Driven by innovation—not the cost of oil, interest rates or politics
- Agbio and medical devices—continuing strong growth
 - M&A activity at high multiples (30x)
 - Shorter time to market @ lower overall cost than drug discovery



Agbiotech: “Food”

- Agbiotech is driven by the need for greater agricultural productivity:
 - World population expected to double by 2060
 - World must produce as many calories in the next 60 years as were produced in the last 10,000 years cumulatively
 - Increased 3rd world consumption of proteins/dairy with growing income
 - Competition for feedstock from growing bio-fuels industry
- To meet demand farmers must improve productivity - “more from less”
- Livestock and plant genomics are key areas of investment
- Strong historical ties to Missouri, aligned with current research capabilities
 - Agbiotech/Agritech
 - Animal Health



Athenix Case Study

- Finistere portfolio company with novel traits targeting agriculture and bio-fuels
 - Value in agriculture is in traits not seeds
 - Pioneer Seeds sells \$US2B+ in revenue with profits of US\$200M
 - Monsanto's profit for one crop trait exceeds Pioneer's entire seed business profits
- Athenix provides the only competitive alternative to Monsanto
- Second generation traits target bio-fuel production by lowering processing costs
- IP in-licensed to PhytaGro a NZ based plant biotech company created by Finistere – created through “strategic technology” arrangement (Tier 3 model)



Agbiotech: “Energy/Renewables”

- Liquid fuels (for transportation) not energy per se is the problem--without liquid fuels society stops
- Political mandate for Renewable energy supported by massive R&D and investment effort; “Cleantech” is highest growth VC category
- Competition of food vs. fuel is not food for human but livestock consumption (70% US corn crop is used for animal feed)
- The growing demand for Biomass (producing bio-fuels, chemicals and even pharmaceutical ingredients) can only be met with:
 - Increasing crop productivity or developing alternative feed crops e.g. algae, high fiber sugarcane, high lipid soybeans etc
 - Improved processing technologies that increase the efficiency of bio-fuels production (carbon → carbohydrate economy)
- Long run supply and cost of feed stocks is critical
- Large infrastructure investments require follow on financing options



Hawaii BioEnergy Case Study

- Finistere portfolio company focused on renewable energy production in Hawai'i
 - HI has highest fossil fuel costs in US for both vehicle and energy/utilities
 - Declining agricultural acreage due to globalization and land/labor costs
 - Opportunity to re-define the agriculture model through new technologies, capital and renewable energy, chemicals opportunities
 - Pipeline includes sugarcane ETOH, algae to oil/JP8 (DARPA sponsored), woody biomass to cellulosic ETOH, chemical co-products
- Co-investors include Hawaii landowners (> 50% of Hawaiian agriculture land), bio-energy guru Vinod Khosla and eBay founder Pierre Omidyar's non-profit foundation (collectively assets > \$20B)
- Strategy is one of technology integrator; combining best of breed innovations with integrated agricultural and energy operations
- Tier 1 model, with potential application to Missouri



Agritech: “Pastoral Dairy”

- Pastoral dairy involves grass based systems and a “free range” model vs. current U.S. confinement grain feeding methods that represent 90% of supply today
- Deploying innovative farm technology across the value chain for e.g.
 - Grass and animal genetics
 - High tech milking systems
 - Environmental remediation and waste energy
- Missouri has significant suitable irrigated land for dairy production on a pastoral basis – the opportunity could exceed \$100M in the next 3-4 years
- Broader opportunity for Missouri - become center of pastoral dairy development, with strong linkages to agbiotech and animal health
- Local presence of Dairy Farmers of America (largest dairy co-op)
- Needs carefully structured investment incentives and support at State level



Tiller Case Study

- Finistere is leading a joint venture investment into Tiller US, a Missouri based dairy operation led and co-invested by expert New Zealand dairy farmers
- Objective to invest \$50M + into dairy farm operations, creating employment, strong financial returns, and a new cluster of industry
- New Zealand leads the world in pastoral dairy systems and technology; potential for research and commercial linkages
- Initial farm conversions planned for 2009/10, including “showcase” for new technology and R&D testing platform
- Potential to attract technology partners into Missouri to support expansion model
- Tier 2 investment model



Medical Device/Diagnostic: “Health”

- Demand for new devices and procedures driven by aging baby boomer generation
 - Longevity with better quality of life and health
 - Improvements in materials, computing and imaging spearhead the development of new personalized devices and diagnostics
 - Personalized healthcare
- However 1st world healthcare costs are unsustainable (17% US GNP)
- MD/D address this growing market at lower costs than drug discovery
- MD/D have fewer regulatory hurdles and shorter time to market
- We seek out technologies that not only enhance and prolong life, but also lower the cost of treatment
- Missouri institutions generate R&D which can be leveraged for commercial MD/D products

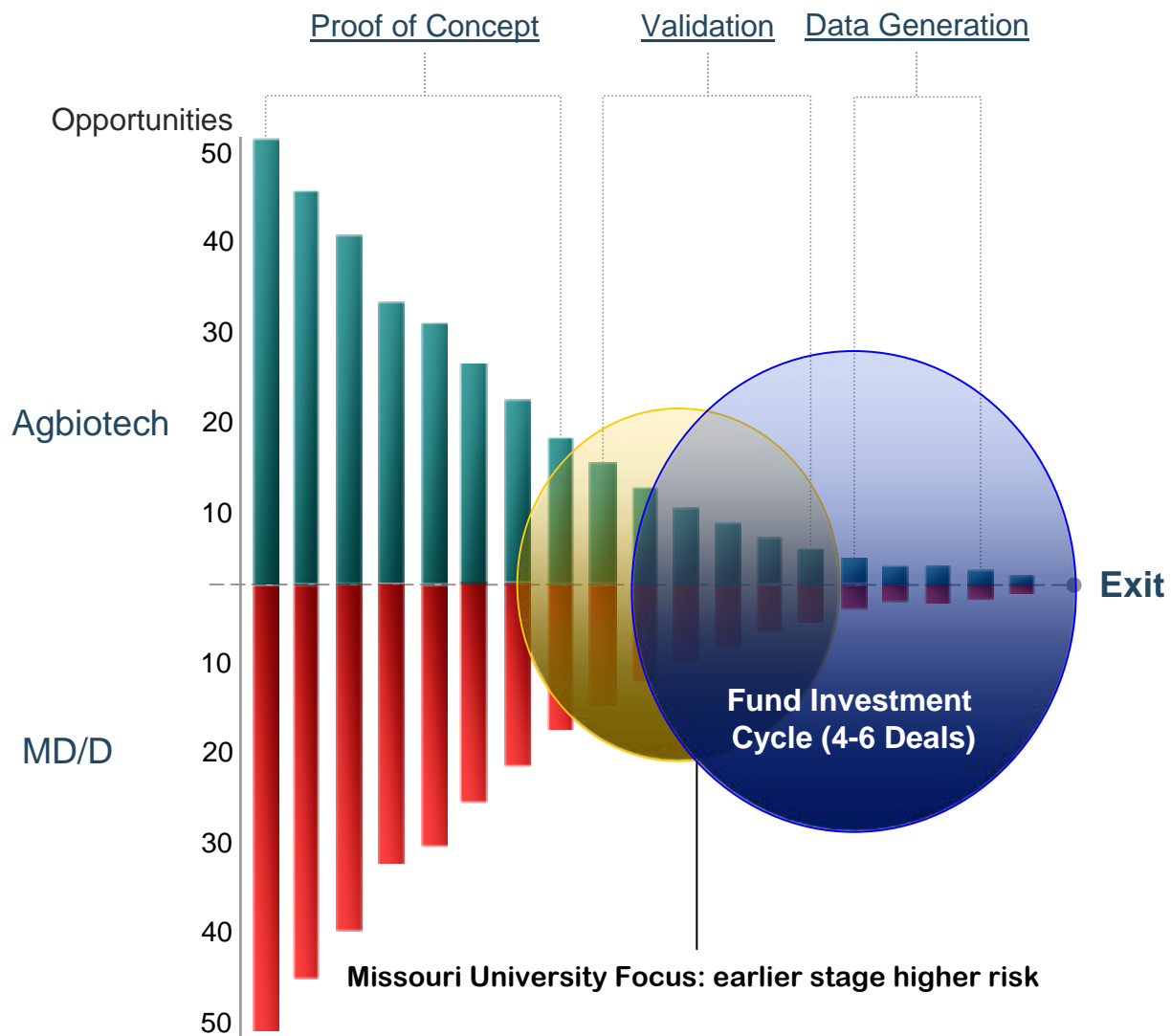


nContact Case Study

- Finistere portfolio company with comprehensive minimally invasive treatment for atrial fibrillation
- In the US, 2.4m people suffer from AF costing \$48.3B/annum
 - A classic age related disease (70% patients aged 65-85 yrs)
 - Market expected to double
- Number of case studies both concomitant and minimally invasive
- Most common cardiac arrhythmia causing up to 20% of strokes
- Current best practice only addresses 20% of afflicted population
- Drugs, pacemakers and surgery are not effective long term treatments

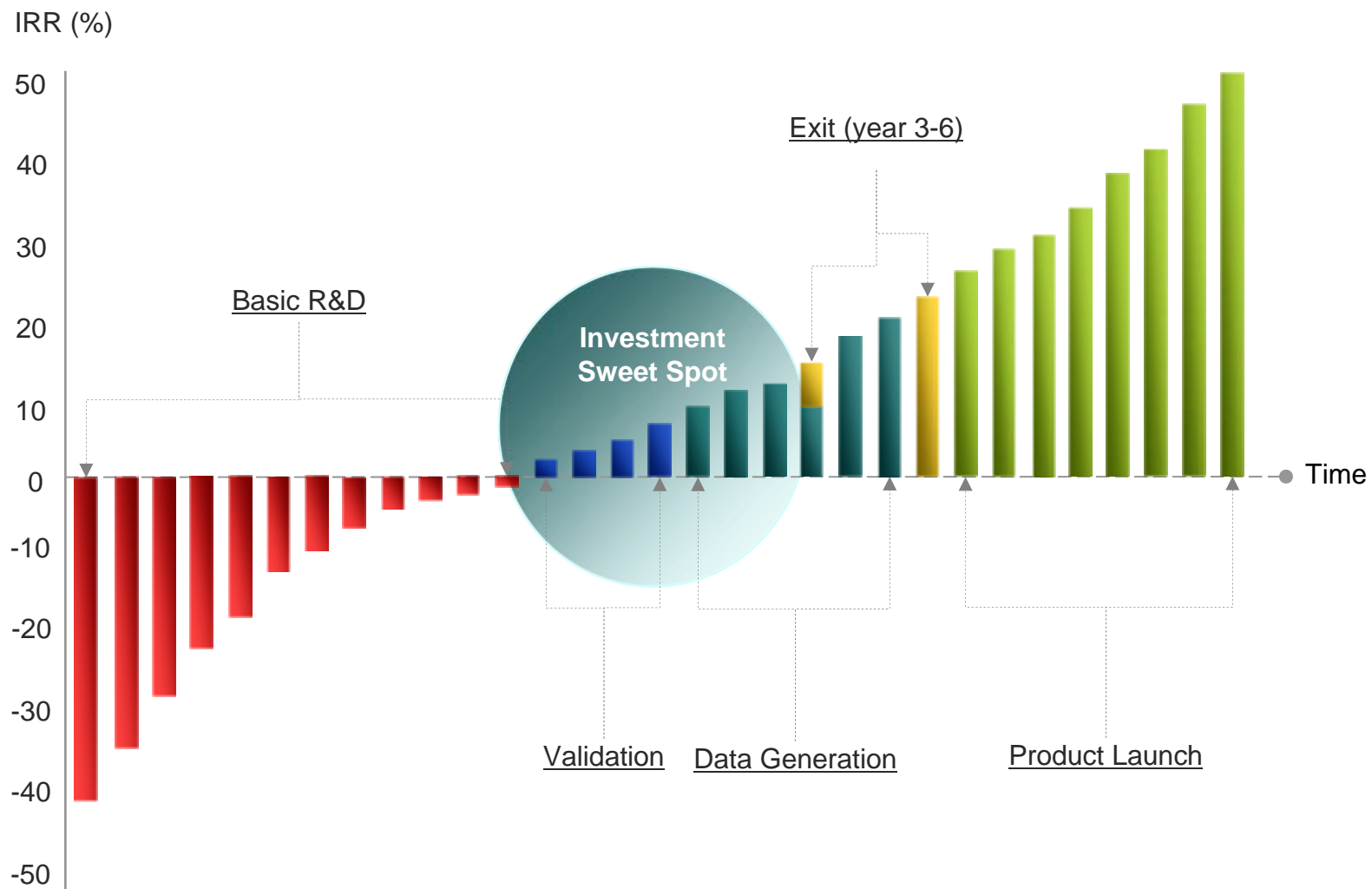


Dealflow Pipeline





Life Sciences: Value Creation





Building & Relocating Startups in Missouri- What will it take?

- *How to succeed in a highly competitive investment seeking marketplace?*
- *How does Missouri create and sustain an **Innovation Ecosystem**?*
- Building startup requires knowledge, networks, entrepreneurs and capital
- Excellent mid-west location for growth companies in these sectors
- Highly motivated public and private support for new growth businesses
- Business friendly environment - businesses go where they can be capitalized and stay where they are appreciated
- Playing to Missouri's strengths:
 - World class agbiotech, agritech expertise
 - Historically strong medical research in the university system
 - Significant animal health cluster in Kansas City



Finistere MVP Management Team

- **Dr. Jerry Caulder, Executive Chairman and CEO**
 - “Father of Agbio”
 - Founder, Chairman and CEO of several technology and consumer product companies
 - Generated returns in excess of US\$2B for investors
- **Arama Kukutai, Managing Director**
 - Agriculture and renewable energy focus
 - Executive Chairman of PKW Farms, large dairy agribusiness in NZ & Australia
 - Former Regional Director New Zealand Trade & Enterprise – North America
- **Han Chen, Investment Manager**
 - Strong business development and financial analysis background
 - Serves as VP of two life science spin-outs
 - CFA Level III Candidate



Finistere Ventures Management Team

- **Jay Brumfield, Managing Director**
 - Substantial Agriculture, Industrial Chemical and Medical Devices background
 - Former CEO, Advanced Stent Technologies, sold to Boston Scientific for US\$400M

- **Kenneth A. Selzer, MD Venture Partner**
 - 25 years experience in healthcare service, biotechnology, medical devices and pharmaceutical companies.
 - CEO and Founder of INC Research- a global drug research company with 1500 employees in 35 countries
 - Senior research positions in big Pharma companies



Finistere Family of Funds

- Finistere Ventures, LLC
 - Finistere-Chicago Fund I, LP
 - Finistere-Oceania Fund I, LP
- Finistere Partners, LLC
 - Finistere-AgResearch Strategic Fund, LP
 - Finistere-NZVIF Investment Fund I (closing)



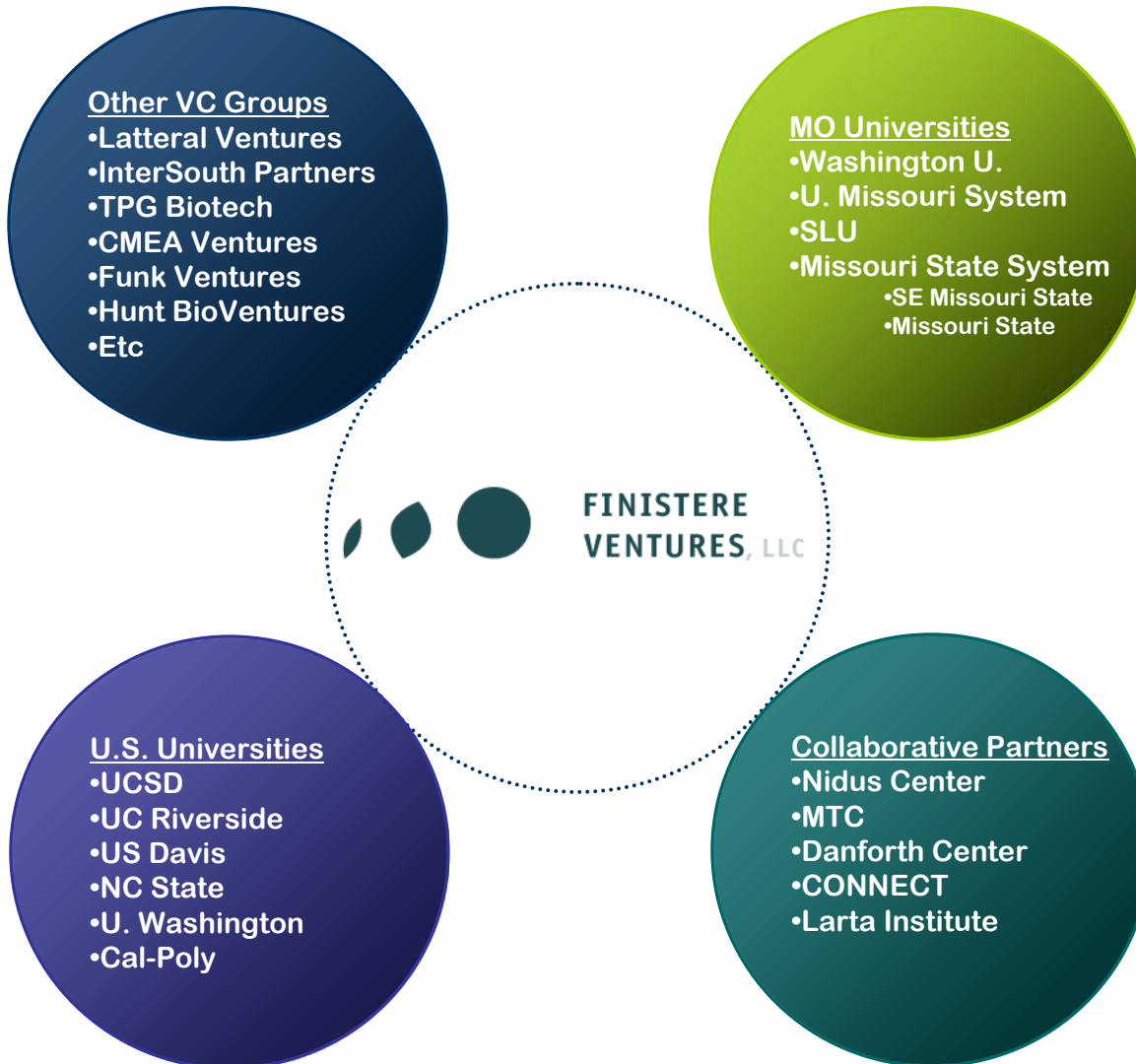
Track Record

- Settled team with accomplished individual track records and experience
- Existing \$40M sister fund with promising portfolio
- Successful track record of exits (10X-30X) in the industries of focus e.g.
 - AST: US\$30M Medical Device investment → US\$400M sale to BSX
 - Mycogen: US\$60M Agbio investment → US\$1.2B market cap, sale to Dow
 - Myelos: US\$12M Bio-Pharmaceutical investment → 5X exit (pre-clinical)
- Collectively, team has strong science, legal, M&A, funds management, general management, and start-up experience
- Existing proven relationships with VC co-investors, representing billions of dollars under management, including local Missouri firms Prolog Ventures and RiverVest Venture Partners



Our Networks Bolster our Capabilities

creating connections between investors and innovators





Finistere Portfolio Companies

Athenix:	- novel agricultural traits and products
BTI:	- bioabsorbable polymer stent platform
Catharos:	- device preventing contrast induced nephropathy
HBE:	- industry consortium focused on bio-energy in Hawaii
nContact:	- device for treating atrial fibrillation
Sadra Medical:	- percutaneous treatment of aortic valve disease
SquareOne:	- ostial stent solutions
MMI:	- animal genomics and performance markers (SNPs)
Cibus:	- directed mutagenesis for novel plant traits
Luminous	- tight glycemic control in the ICU
Flexion	- spin-out from BTI for small artery applications
PhytaGro	- plant biotech startup focusing on animal feed crops



Contact Information

Arama Kukatani

akukatani@finistere.com

858-834-0127

Jerry Caulder

jcaulder@finistere.com

858 834-0121 (US)



Finistere's Investment Focus





Finistere's Engagement Model





Dealflow Evaluation Process

