



Press Release
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Partners in Bioscience Growth

Kansas Bioscience Authority Commits \$50 Million to Increase Venture Capital, Accelerate Bioscience Business Growth

OLATHE, Kan. — The Kansas Bioscience Authority took bold action today to significantly increase the amount of venture capital available to innovative Kansas bioscience businesses — and to lead the state’s economic recovery — approving a commitment to invest \$50 million in eight private venture capital funds. The KBA investments will create a powerful magnet for private capital investment from around the country in Kansas bioscience companies.

To qualify for KBA investment, the eight funds are required to have a substantial presence in the state, including establishing Kansas offices. Additionally, the fund managers must each raise a minimum of \$25 million from private and institutional sources, effectively leveraging the KBA’s investment to \$250 million.

KBA president Tom Thornton said the fund addresses an immediate need and is a key component of the KBA’s efforts to position Kansas as a national leader in the biosciences.

“Capital is the lifeblood of bioscience companies. Innovators all across Kansas are developing world-class bioscience products and services only to see their true societal and economic development potential suffer for a lack of early stage capital. With the KBA’s investment commitments, Kansas is attracting the attention of some of the most respected venture capital firms in the country to help high growth potential bioscience companies in Kansas access growth capital to gain full-scale commercialization,” Thornton said.

The funds will work closely with the KBA’s **Heartland BioVentures** program, which provides hands-on business assistance and financial resources to high potential early stage bioscience companies to help better position them to raise private growth capital to bring globally competitive products and services to market.

“What is unique about our approach is that we are helping develop credible, quality investment opportunities while also partnering to ensure these opportunities get funded,” Thornton said.

The KBA board of directors approved commitments to invest with the following venture capital firms (listed alphabetically by commitment size):

- Burrill & Company, San Francisco, CA, \$10 million
- MPM Capital, Boston, MA, \$10 million
- IN Partners / MidPoint Food & Ag, Carmel, IN, \$5 million
- Meadowlark Venture Partners, Chicago, IL, \$5 million
- Midwest Venture Partners, Chicago, IL, \$5 million
- Open Prairie Ventures, Olathe, KS, \$5 million
- Prolog Ventures, St. Louis, MO, \$5 million
- Triathlon Medical Ventures, Cincinnati, OH, \$5 million

Together, these funds provide a range of expertise in the bioscience sectors in which Kansas has existing strengths: animal health, bioenergy, biomaterials, plant biology, and human health. Working with multiple funds also exponentially expands the venture capital network focused on bioscience companies at varying stages of development in Kansas and provides the greatest assurance of increased venture capital flow into the state.

The funds were selected after a rigorous evaluation process that began in February and included an assessment by an independent, nationally recognized financial services firm; extensive due diligence by KBA staff members; a detailed review by the KBA investment committee; and unanimous approval by the KBA board of directors.

Entrepreneurs and venture capital experts from around the country underscored the importance of the strategy of jumpstarting the growth of bioscience venture capital in Kansas:

Dr. Nicholas Franano, chief executive officer of Novita Therapeutics: “This new fund will provide Kansas businesses with much needed access to national and international networks of capital and investors and accelerate the growth of the biosciences industry and jobs in the state of Kansas. Once again, the Kansas Bioscience Authority has come through with a big win.”

Dan Berglund, president and CEO of the State Science & Technology Institute (SSTI): “With the creation of the Kansas Bioscience Growth Fund, the KBA is addressing a critical building block needed for a tech-based economy: capital for start-up companies. This is particularly critical now as venture capitalists make fewer, later-stage investments. Areas like Kansas that make these kinds of investments are going to be the ones that benefit in the future.”

Jim Jaffe, president and CEO of the National Association of Seed and Venture Funds (NASVF): “Access to capital for seed and early stage companies is an essential element in creating jobs and building world-class companies, especially in today’s venture environment when most funding is going to later stage opportunities. NASVF commends the Kansas Bioscience Authority for taking a leadership role in Kansas and being a catalyst for innovation and supporting the seed and early stage entrepreneur.”

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About the KBA

The Kansas Bioscience Authority is a \$581-million initiative created by the Kansas Economic Growth Act of 2004 to expand the state’s world-class research capacity and bioscience clusters; support the growth of bioscience startups; and stimulate bioscience business expansion and attraction.

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