Quester VCT 4 plc
Annual General Meeting
20 June 2008
Introduction

Robert Wright, Chairman
Fund overview & update

Andrew Carruthers, CEO, SPARK Ventures
Agenda

• Tasks performed since appointment as the new manager

• Overview of the year for the fund

• Analysis of valuation movements

• Progress chart

• Company highlights
Tasks performed since June 07

Re-shaping of the investment team:

- 4 Quester investment managers have departed, with 2 remaining;
- 4 experienced SPARK investment managers allocated to the portfolio;
- 1 new investment manager brought across from the University funds managed by the group.

Re-allocation and re-evaluation of Portfolio Companies:

- Of the 35 companies in the portfolio, 27 have been reallocated to new managers;
- Whilst relationships with investee company CEO’s has been maintained, every investment has been re-evaluated with ‘fresh eyes’ and old assumptions challenged.
Tasks performed since June 07 (cont.)

Review Findings:

• Many good technologies
• Largely invested too early, with extended commercialization required
• Move into later stage pre-IPO or AIM stocks failed to improve returns
• Difficult decisions have been deferred too long leaving too many investments in the portfolio

⇒ As a result we have been busy re-shaping the portfolio with exits, restructurings and new investments:

• 8 companies have been closed or largely written-off
• Other investments have been sold (Nomad & Identum) or restructured (HTC & Xtera)
• 1 new investment has been made (Isango, after the year end)
Overview

A few key events have been achieved prior to the change in market sentiment:
• Nomad sale to Metavante Technologies
• Identum sale to Trend Micro
• Merger between AVANT Immunotherapeutics and Celldex Therapeutics Inc.

Private Equity and Venture markets have since become more risk adverse
• Harder for companies to raise money (Cluster Seven)
• Exit values are depressed (Antenova)
• Evidence of transactions being cancelled (Elateral)

Life Science investments looking broadly more positive
• Quoted assets have staged a rally on the back of good news (AVANT, Medigene)
• Oxford Immunotec is looking positive despite modest down valuation from the last funding round

New investment is going into businesses with either revenue or lower capital requirements, or both.
But:
- Profitable exits will usually come last of all
- Even the stronger companies are going to face challenges in the current climate
- Across the industry, exits are taking longer

Time to Liquidity

> Time from initial funding to M&A (all VC-backed companies)

Source: VentureSource
Valuation Analysis

Quester VCT 4 plc

<table>
<thead>
<tr>
<th>£000’s</th>
<th>%</th>
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<tbody>
<tr>
<td>Total Venture Capital investments at December 2007</td>
<td>18,322</td>
</tr>
<tr>
<td>Less: new Cash Invested</td>
<td>(4,396)</td>
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<tr>
<td>add: valuation of disposal included in the opening balance</td>
<td>798</td>
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<tr>
<td>Current valuation of investments existing at beginning of financial year</td>
<td>14,724</td>
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Valuation of those investments as at October 2006

<table>
<thead>
<tr>
<th>£000’s</th>
<th>%</th>
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<tbody>
<tr>
<td>Movement</td>
<td>(8,888)</td>
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<tr>
<td>Of which: Unquoted Venture Capital investments</td>
<td>(7,325)</td>
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<tr>
<td>Quoted Venture Capital investments</td>
<td>(1,563)</td>
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What has happened to Quoted Venture Capital Valuations since then?

to 31 March 08 | (385) |
since 31 March 08 | 187 |
Analysis of Valuation Movements (cont.)

Decline in value of unquoted venture capital investments of £7.3m consists of losses of £9.8m, offset by gains from the sale of assets of £2.5m, most of which come from the sale of Nomad.

67% of the decline in value of unquoted venture capital investments is derived from events in which 3rd parties set the price. If the quoted venture capital investments are included, this rises to 72%.

→ The manager’s judgement is not involved in the revaluation.

Most of the substantial write-downs of investments have arisen because SPARK has decided not to keep companies going with further investment.

→ We have taken the tough decisions.
Progress update since June 2007

<table>
<thead>
<tr>
<th>Failures</th>
<th>Concerns</th>
<th>Still early stage</th>
<th>Good progress</th>
<th>Emerging success</th>
<th>Exits / liquidity</th>
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<tbody>
<tr>
<td>Arithmatica</td>
<td>Celona</td>
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<td>Antenova</td>
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<td>Avidex (Medigene)</td>
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<td>Celoxica</td>
<td>Teraview</td>
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<td>Azea/Xtera</td>
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<td>Oxxon Thera</td>
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<td>HTC</td>
<td>Vivacta</td>
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<td>Elateral</td>
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<td>(Oxford BioMedica)</td>
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<td>Sift</td>
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<td>Nomad</td>
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<td>Identum</td>
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<td>Celldex</td>
<td>Perpetuum</td>
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<td>AVANT</td>
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<td>Cluster Seven</td>
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<td>Lectus</td>
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<td>Mesophotonics</td>
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<td>Nexagent</td>
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Review of healthcare & life sciences portfolio

Penny Attridge, Investment Director, SPARK Ventures
Biological drug treatments for cancer and auto-immune diseases

Solid progress in recent months:
- Good news from clinical trial of its pancreatic cancer treatment
- Market rumours of a bid from Pfizer
- Reflected in price rise to ~ €6 level

We have sold one third of our holding at this price

Upside remains, including positive news anticipated from the original Avidex technologies

Further price rise in recent days
Gene-based treatments for cancer and neurological diseases

• Making steady progress, though price has not yet reflected this

• Sanofi – aventis deal on TroVax has transformed the company’s finances. Now able to cover R & D costs of internal programmes

• Parkinson’s product making excellent progress

• Monitoring price for selling opportunity when lock-up ends in September
TB testing kits

- Distraction of legal action over. Minorities have dropped their petition
- Raised $32m in October, including Clarus leading US VC
- European sales ahead of budget
- Signed major distribution deals with Biomerieux – European territories & Novartis - Eastern Europe and Middle East.

**US operation building up**

- 12 in post in sales, marketing and operations roles
- Hope for US Product approval in June/July
- US accounts for 50% of global market
Drug discovery focused on ion channels compounds

Ion channels are passages on cell surfaces which can open and close to control things getting in or out of the cell

- Raised £8m in April, strong supportive syndicate
- Cash to Mar 09
- M&A discussions continue: 5 potential suitors
- Will have initial clinical data on 2 compounds by year end:
  - One for heart flutter and one for incontinence
- CMO and Bus Dev director being hired
- Business plan in preparation for funding round as alternative to M&A
Review of TMT portfolio

Andrew Carruthers, CEO, SPARK Ventures
• Uniservity provides web-based learning communities for schools that allow teachers and pupils to collaborate in the learning process with each other and with other schools around the globe (‘Facebook for Schools’)

• In 2007 UniServity was awarded the highly respected status of becoming an accredited BECTA (British Educational Communications and Technology Agency) Learning Platform Services supplier

• Since then Uniservity has increased the schools with whom it has contracts from 600 to 2,000, and the numbers of users has increased from 500K to 1.5 million in the UK

• In addition, schools are now signing up in the USA, in Asia and Australia, making the platform increasingly powerful as a global collaborative platform for learning
A recognized global leader in Brand Asset Management (BAM).

Companies like Coca-cola, Cisco, DaimlerChrysler and SAP have deployed Elateral to protect their brand and take cost and time out of their processes.

Elateral MSP is a practical tool that connects all the stakeholders involved in the execution of consistent brand communications, including Brand Managers, Channel Marketing Executives, Ad Agencies, Printers, Dealers, Retailers, Sales People and many more.

Sales and Profits for the period to March 2008 are ahead of budget with the forward order book looking strong. A cash generative business.

Despite its strength, the sale of Elateral was cancelled on the day that Bear Stearns collapsed.
Resolution 1

Annual report & accounts
Resolution 1 – Proxy votes

For 2,442,234 (98.91%)
Including 83,304 votes in Chairman’s discretion

Against 26,847 (1.09%)
Resolution 2

Directors remuneration report
Resolution 2 – Proxy votes

For 2,149,585 (88.01%)
Including 68,442 votes in Chairman’s discretion

Against 292,834 (11.99%)
Resolution 3

To declare a final dividend of 1.0p per share
Resolution 3 – Proxy votes

For 2,462,081 (99.6%)

Including 78,147 votes in Chairman’s discretion

Against 10,000 (0.4%)
Resolution 4

Re-election of RE Burger as a Director
Resolution 4 – Proxy votes

For 2,182,257 (89.91%)
Including 91,442 votes in Chairman’s discretion

Against 245,032 (10.09%)
Resolution 5

Election of JR Patel as a Director
Resolution 5 – Proxy votes

For 2,248,052 (91.78%)
Including 91,442 votes in Chairman’s discretion

Against 201,237 (8.22%)
Resolution 6

To re-appoint Grant Thornton UK LLP as auditor of the Company
Resolution 6 – Proxy votes

For 2,396,489 (97.2%)
Including 78,147 votes in Chairman’s discretion

Against 69,087 (2.8%)
Resolution 7

Authority to allot shares
Resolution 7 – Proxy votes

For 2,377,434 (96.18%)

Including 78,147 votes in Chairman’s discretion

Against 94,442 (3.82%)
Resolution 8

Authority for the disapplication of pre-emption rights
Resolution 8 – Proxy votes

For 2,207,708 (89.82%)

Including 102,304 votes in Chairman’s discretion

Against 250,168 (10.18%)
Resolution 9

Authority for change of name to SPARK VCT 2 plc
Resolution 9 – Proxy votes

For 2,247,926 (91.35%)
Including 83,304 votes in Chairman’s discretion

Against 212,950 (8.65%)
Resolution 10

Authority for the company to purchase its own shares
Resolution 10 – Proxy votes

For 2,440,983 (99.02%)
Including 87,304 votes in Chairman’s discretion

Against 24,147 (0.98%)
Resolution 11

Adoption of new Articles of Association
Resolution 11 – Proxy votes

For 2,340,373 (96.4%)
Including 96,442 votes in Chairman’s discretion

Against 87,462 (3.6%)
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