



VICTM
**TECHNOLOGY
VENTURE
DEVELOPMENT**

2020
Mid-Year Update

Executive
Summary

Introduction

The uncertainty around the long-term impact of the COVID-19 pandemic has affected VIC and our portfolio, but it has been manageable. We have seen outside investment slow, particularly for early stage investment opportunities. That has impacted our expansion strategy to some degree, yet our companies continue to make exciting progress. For an interesting perspective on the investment climate and the opportunity it represents for bolder investors, please refer to the article by our Executive VP, Michael Artinger, discussing [Portfolio Diversification in Times of Market Volatility](#).

In our portfolio companies, certain strategic partnering and acquisition opportunities slowed and there have been some modest research and development delays. However, potential business partners are increasingly finding ways to re-engage in spite of the ongoing pandemic.

VIC has taken a number of risk-mitigating steps including reducing the planned number of new company starts this year from our original forecast (i.e. until we see early stage investment return more strongly), ramping-up non-dilutive government grant funding applications, and raising some additional contingency capital into VIC, while also working to further expand our own [VIC Investor Network](#).



Our [VIC Foundry](#) work has expanded considerably to fill the pipeline of high impact new opportunities that we can pursue as we emerge out of pandemic-related uncertainties into a new normal. Our [VIC Fellows program](#) has brought a complementary infusion of additional talent just as we expanded our VIC Foundry work.

Natalie Gassman, PhD

- Assistant Professor at University of South Alabama Mitchell Cancer Institute
- Postdoctoral Fellowship at NIH and UCLA
- PhD in Chemistry and Biophysics from UCLA



Travis Nemkov, PhD

- Postdoctoral Fellow, Doctorate in Biochemistry and Structural Biology at University of Colorado Anschutz Medical Campus
- Roles at Omix Technologies, AmideBio, LLC, OnBioVC and Roche and Sanborn and Company



Kirt Gill, MD

- Radiology Resident at University of Texas Southwest Medical Center
- Head of Clinical Advisory Board and Research Physician at Solenic Medical
- MD from Keck School of Medicine at USC



Gregory Tucker, PhD

- Postdoctoral Fellowships at Skysong Innovations and School of Molecular Sciences at Arizona State University
- Chemist at Pacific Northwest National Laboratory
- PhD in Physical Chemistry from Arizona State University



Monika Magon, PhD

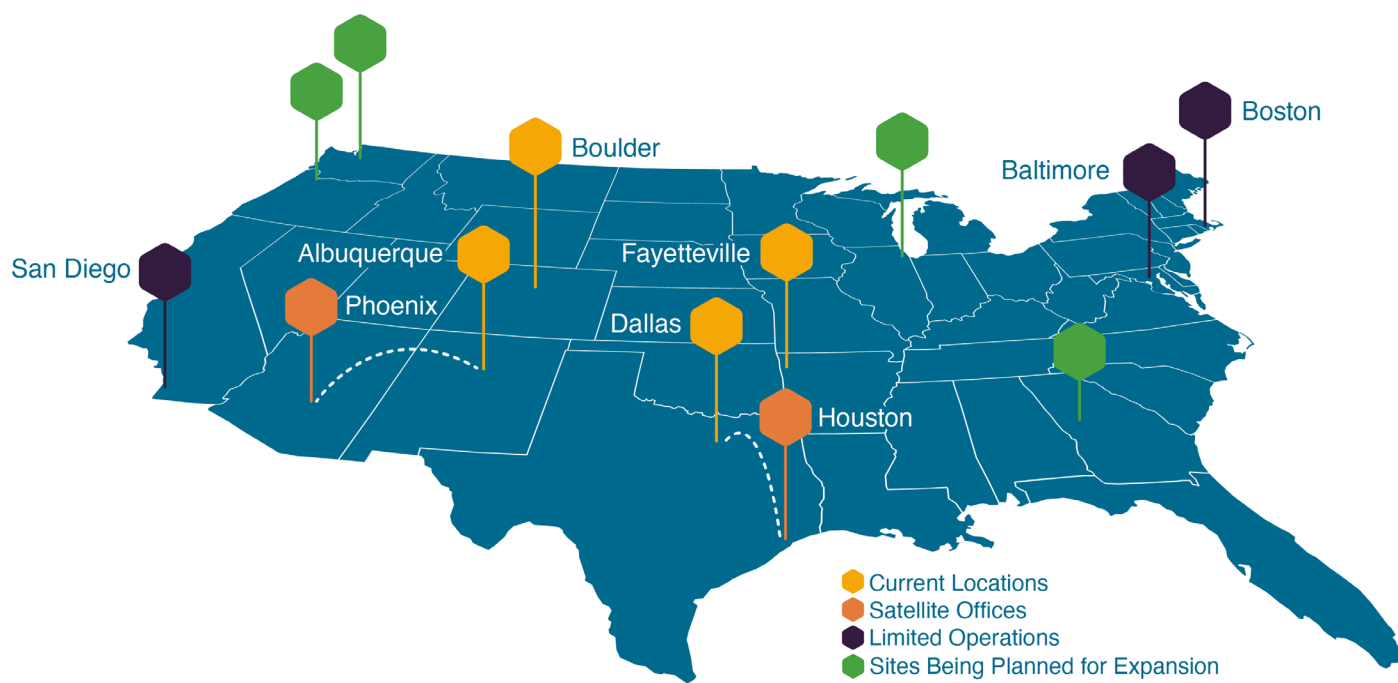
- Life-Arc-AUTM Technology Transfer Fellow
- Postdoctoral Fellowship at University of St. Andrews and University College London
- PhD in Physical Biology from University College London



Adding sixth and final Fellow in next several months

VIC was fortunate in that we had put in place many of the tools needed to continue our work uninterrupted prior to Q1, 2020 when much of the world was placed in lockdown. This includes adoption and tight integration of HubSpot, Zoom, and Dropbox with more traditional systems such as email and websites, resulting in improved collaboration and project management. Given that the realities of the new-normal will necessitate seamless remote working for the foreseeable future, we are well-positioned from the perspectives of technology and [processes](#).

Overall, while some goals are delayed due to the pandemic, we expect to emerge stronger and in better position than ever to fully execute our expansion plans which include forming about 10 new companies per year across the portfolio. There continues to be tremendous progress across our entire existing portfolio as briefly summarized in the next section below.



Portfolio Companies Progress Highlights

Highlights of progress made by our portfolio companies during the first half of 2020:

- **Akeso Biomedical** is engaged with two potential strategic partners/acquirers, is in negotiations with a top five US poultry integrator for initial sales in the 4-5 tons per month range of its CI-FER™ animal feed additive, and has had three US patents issued this year increasing the total US patent portfolio to twelve.
- **BiologicsMD** made significant progress on the further de-risking of its lead compound for the treatment of alopecia. Maximum tolerated dose toxicology studies have been completed with promising results that showed no acute toxicities. Repeat-dose toxicology studies are ongoing, and the final report is schedule to be completed mid-August. The ongoing de-risking studies are being completed in preparation for a VC round to fund completion of a phase IB clinical trial in alopecia areata patients.

- **BlueInGreen** has made a name for itself in the water industry by providing award-winning solutions to a wide variety of clients in the biological, municipal, and ecological treatment spaces. The company continues to have strong momentum including sales pipeline, revenue, and profit growth.
- **CardioWise** filed a 510(k) Application with the FDA on May 8th for its SQuEEZ™ heart health analysis software. The company also has filed a request for an expedited review of its 510(k) application with the FDA based on the capability of SQuEEZ™ analysis to stratify patients with heart disease who are at highest risk of death from COVID-19. Additionally, SQuEEZ™ can detect another serious complication of the corona virus—inflammation of the myocardium—that can lead to permanent damage to heart function.
- **Filtravate** was formed in mid-February 2020 to commercialize a novel ultrafiltration membrane technology. The company's technology offers three-fold higher permeability (increased flux) and an order of magnitude reduction in clogging (decreased fouling) over commercial membranes, as well as a scalable eco-friendly production processes. A wide range of biopharma applications includes improved continuous bioprocessing of biologics such as proteins, antibodies and viruses.
- **Kalera Medical** received FDA clearance for its first product: C-VAC™. This is an important milestone as the company looks to launch the product later this year after ramping-up production in its new facility.
- **Neurexis Therapeutics** was the second company added to the VIC portfolio in 2020. It is developing a new medication for the prevention of brain damage following ischemic events such as stroke and cardiac arrest. This drug has the potential to significantly improve clinical outcomes for patients and reduce total healthcare costs.
- **SFC Fluidics** made significant progress by completing three meaningful milestones with Juvenile Diabetes Research Foundation (JDRF)-sponsored projects. The milestones involved demonstrating software control of critical device components, miniaturizing proprietary technologies, and finalizing the initial hardware design. These accomplishments facilitated a successful initial meeting with the FDA in June where SFC established the 510(k) pathway for its first product, a standalone insulin pump.
- **Tesseract Structural Innovations** started the year fast with two development projects with global OEMs; one product to save lives in small overlap front crashes and the second to protect batteries from side impact crashes. The company won a big automotive industry competition at the end of April: the Global Automotive and Mobility Innovation Competition in Detroit. That event win continues to provide recognition and validation of Tesseract's innovative products.
- **Vixiar Medical** submitted an FDA 510(k) application in June for its Indicor™ device; a point-of-care, non-invasive, heart failure monitor with substantial benefits compared to currently available products.
- **Zebra Analytix** is focused on creating game-changing analytical solutions spanning diverse, high-impact applications where rapid detection is essential: healthcare, defense, energy, the environment, food safety and others. In the first half of the year, the company was awarded a third Phase I SBIR grant and also is working toward initiating an in-house fee for service testing program, which will validate non-modular instruments for product launch later this year.

VIC Investor Network

The VIC Investor Network (VIN) is a nationally comprised network of accredited investors. VIN has a strong investment track record and features companies being developed within VIC's innovation ecosystem. From high impact medical devices to lifesaving therapeutics, VIN is investing in VIC portfolio companies that are developing commercially promising products and technologies that address important problems facing society and the world.

Key points about VIC Investor Network for potential members include:

- All companies presented to VIC Investor Network members as investment opportunities have been thoroughly vetted.
- The portfolio companies are developed within VIC's cost-efficient, risk-mitigating innovation ecosystem.
- VIC Investor Network portfolio companies have consistently demonstrated rapid value growth.
- In addition to being based on the best of the best new technologies sourced from the results of over \$120 billion/year of federally sponsored research, every VIC company features highly experienced executive management and technical teams.

VIC Investor Network members have the opportunity to invest in VIC portfolio companies at all stages of development from company formation to growth. Experienced investors recognize the highly attractive valuations, which can lead to much higher rates of return. Individuals new to technology company investing often appreciate the low minimum investment that allows them to engage slowly and expand their involvement as they gain experience, as well as spread their investments across multiple companies. We are presently expanding the VIC Investor Network and will be scheduling periodic webinars for potential new members. Interested participants may check the schedule of upcoming events and register at:

***CLICK TO VIEW THE VIN WEBINAR SCHEDULE AND
TO REGISTER FOR AN UPCOMING EVENT***

Tuesday, July 21st at 11:00 AM CST

or

Thursday, July 23rd at 1:00 PM CST

A new feature of the VIC Investor Network, the VIN Secondary Market, is presently in beta testing. The VIN Secondary Market will allow members to offer for sale to other members their ownership in any investments they have made through VIN ([additional information](#)).

Concluding Comments

Even during these challenging times, progress by VIC and our portfolio companies has been encouraging, with many exciting development breakthroughs including multiple FDA submissions, product validation, increased non-dilutive funding, and continued strengthening of the entire VIC support ecosystem. Please do not hesitate to reach out to me should you have questions.

Sincerely,

A handwritten signature in black ink that reads "R. Calvin Goforth". The signature is written in a cursive, slightly slanted style.

R. Calvin Goforth
Chief Executive Officer