



annual report **2021**



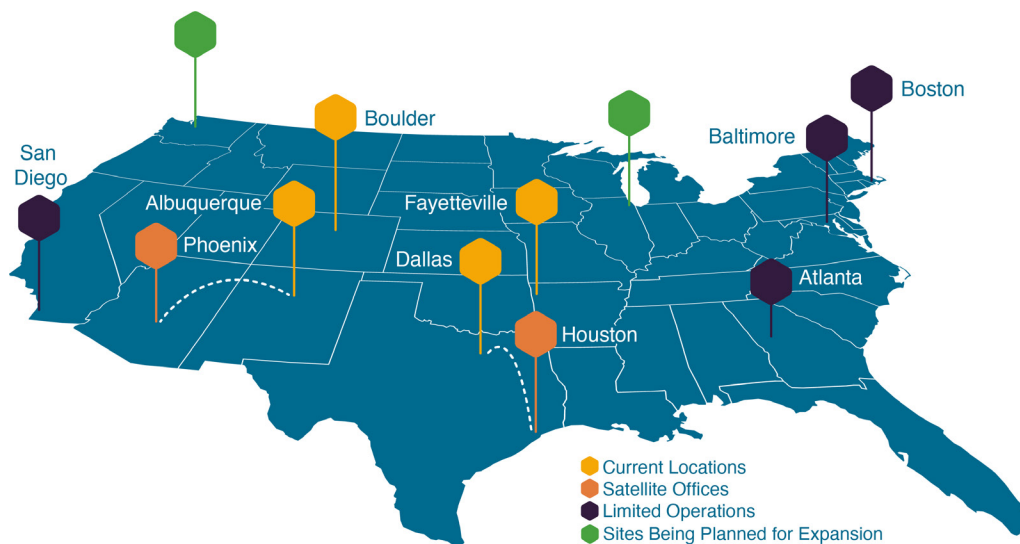
**TECHNOLOGY™
VENTURE
DEVELOPMENT**

Non-Confidential
Executive Summary

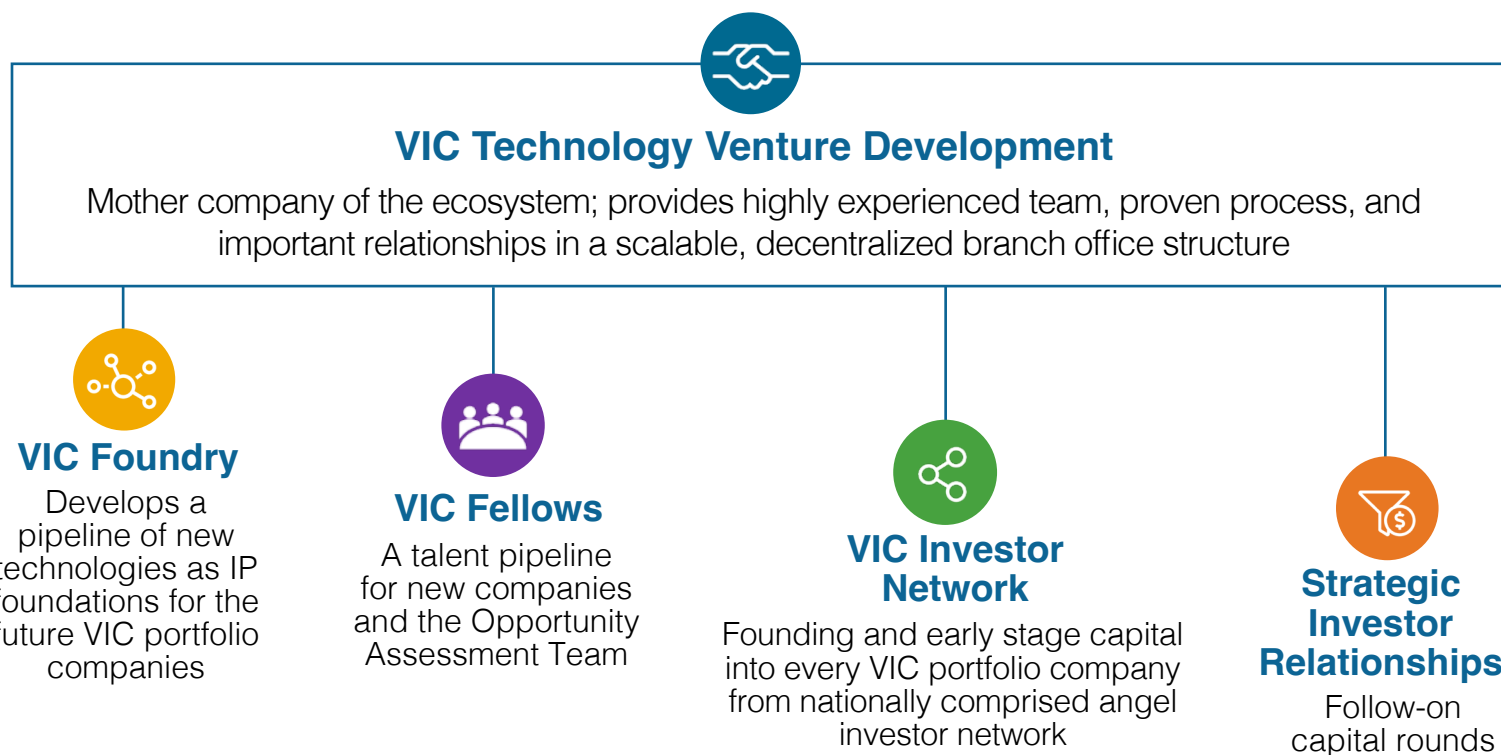
Introduction

In 2021 VIC formed two new companies, hit major value growth progress milestones across our portfolio, added renowned life science veterans to our team, and have positioned for substantial growth in 2022. In the first half of 2021, due to the continuing pandemic, we were still holding off on our expansion plans and new company formations. However, in the second half of the year, VIC's business largely returned to normal albeit with increased remote work, more Zoom and less travel, as well as other operational changes. The two new portfolio companies were formed in August and December, respectively. We also substantially increased our pipeline of technologies in due diligence, some of which may be the foundation for new portfolio companies created in 2022 and beyond.

VIC continues to expand its physical presence across the country. One of the two new companies formed is headquartered in Atlanta where we are ramping-up operations to become a fully functional branch office.



The VIC Innovation Ecosystem and Team



Mission

Form and grow life science and emerging technology companies that shape the future by bringing innovative discoveries from research labs to commercial deployment.

Albuquerque, NM | Boulder, CO | Dallas, TX
Fayetteville, AR (headquarters)

victtech.com | vicnetwork.com | vicfoundry.com



Leadership



Calvin Goforth
CEO



Michael Artinger
Executive VP
& Managing Dir.



James Lancaster
Managing
Director



Yun Li
Managing
Director



Ralph Henry
VP Life Science



Robyn Goforth
VP Tech. Assessment



Mark Wagstaff
VP Operations



Jim Terrell
Controller



Sierra Bergsgaard
Marcom Manager

Board of Directors

Chairman: Calvin Goforth | Jerry Adams | Fenel Eloi | Ajay Gupta | James Hendren
Greg Lee | Laura Lyons | Jamie Rogers

Appendices A and B provide the VIC financial summary and updates on the progress of each portfolio company in 2021, respectively. This supplemental information is confidential and only available to VIC stakeholders. In this Executive Summary, we provide an overview, as well as highlight several noteworthy developments.

In 2021, we executed our long-term operational plan to expand our Board of Directors and Strategic Advisory Board and created a new Medical Advisory Board. We also brought in our second annual class of VIC Fellows and added new members into the VIC Investor Network.

Recent Additions: VIC Board of Directors



Fenel Eloi, Boston

- Former COO or CFO in three NASDAQ listed life science companies
- Leadership experience spanning companies from start-ups to multinationals
- Experience scaling operations, strategic partnerships, and public and private financing transactions



Ajay Gupta, Chicago

- Senior Partner Emeritus at McKinsey & Company where he led the company's Midwest Healthcare Practice and North America Medical Products for many years
- Experience in strategy, M&A, innovation, organization design, and performance improvement
- Active private investor



Laura Lyons, Carmel

- VP Clinical, Quality & Regulatory Affairs at SonarMed
- 30 years of experience in the health care industry beginning in Respiratory Therapy
- Extensive experience raising capital and bringing new innovations to market

Recent Additions: VIC Strategic Advisory Board



Paul Atkins, Durham

- Currently Executive Chairman of Nob Hill Therapeutics
- Previously, CEO of Oriel Therapeutics where he helped the company raise over \$35M in funding; company was acquired by Novartis
- Served as Global Director, Respiratory Therapeutic Development, Delivery Systems at GlaxoSmithKline



Dennis Liotta, Atlanta

- Holds the Samuel Candler Dobbs Professorship at Emory
- Approximately 290 peer-reviewed research publications and holds over 90 issued US patents
- Inventor of emtricitabine, a breakthrough HIV drug, currently marketed under the name Emtriva

VIC Medical Advisory Board

The Medical Advisory Board comprises medical doctors who provide deep domain knowledge and clinical perspective within specific fields of medicine where VIC is most active. While we have long drawn on MDs as part of our opportunity assessment process of new technologies, forming the MAB helps us bring clinical expertise to bear on our assessment in a more efficient manner. MAB members may also serve as medical advisors to VIC portfolio companies within their field of expertise. We will be significantly expanding the MAB throughout the course of the year.



Steven Alaniz, DDS

- An Aerospace Medicine Flight Commander for the 301st Medical Squadron
- A Master in the Academy of General Dentistry
- Owns a private practice in Haslet, TX



Bassam Ghabach, MD

- Medical Director of the JPS Center for Cancer Care in Fort Worth, Texas
- Former Assistant Professor of Medicine at the University of Oklahoma College of Medicine
- Special interest in social determinants of health and application of new technology to reduce healthcare cost and improve outcomes



Drew Kumpuris, MD

- 40 years in private practice
- A recently retired cardiologist in Little Rock Arkansas
- Cofounded NuShores Bioscience LLC
- Serves on the advisory board of Predictive Health LLC, ZBeats Inc., and Optevio Inc.



Arlen Meyers, MD

- A faculty member at the University of Colorado Denver Graduate School
- President and CEO of the Society of Physician Entrepreneurs
- A former Harvard-Macy fellow and completed a Fulbright at Kings Business



Cristhiaan Ochoa, MD, PhD

- A staff Pulmonary and Critical Care physician at JPS Health
- Clinical Assistant Professor of Medicine at UT Southwestern Medical Center in Dallas, TX
- Over 20 peer-reviewed publications and two patents pending



Trevor Turner, MD

- Board-certified Physical Medicine and Rehabilitation
- Physician at Georgia Bone and Joint and Director of the Center for Regenerative Ortho
- Special focus on commercialization of university and government lab intellectual properties

VIC Fellows

Our second VIC Fellows class featured a mix of MDs and scientists. The Fellows team contributed to our opportunity assessment efforts within VIC as well as non-dilutive grant funding applications within VIC Foundry. The Fellows program provides VIC a great talent pipeline as we draw on their technical expertise as well as mentor them in the myriad facets of technology commercialization.

Natalie Gassman, PhD - Senior Fellow

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



Gurshagan Kandhola, PhD

- Postdoctoral Fellow at the University of Arkansas, Fayetteville
- CTO at CelluDot
- PhD in Biological Engineering from University of Arkansas



Michael Gaspar, MD

- Director of Research at Ehlers-Danlos Syndrome Research Foundation
- Orthopaedic Surgery and Machine Learning Consultant Company NameBuoy Health
- MD from Medical College of Virginia



Kelly Mabry, PhD

- Director of Research and Development at Tangible Science
- PhD in Chemical and Biological Engineering University of Colorado



Evan Goldberg, PhD

- Program Director at Global Center for Medical Innovation
- Research Faculty Georgia Institute of Technology
- PhD in Biomedical Engineering from UCLA



Cristhiaan Ochoa, MD, PhD

- Pulmonary and Critical Care physician at JPS Health
- Clinical Assistant Professor of Medicine at U.T. Southwestern Medical Center
- MD from Universidad Pontificia Bolivariana



Secondra Holmes, PhD

- Licensing Intern at Baylor College of Medicine
- PhD Candidate in Pharmacology and Chemical Biology at the Center of Drug Discovery of Baylor College of Medicine



VIC | FELLOWS

Portfolio Highlights

The first of two new companies formed in 2021 was Solaris Vaccines which began operations in August. Current methods of developing and manufacturing vaccines are slow, not fully protective, and often have onerous storage requirements or other issues that complicate distribution. Solaris was established to commercialize an innovative new approach for creating vaccines that addresses limitations of traditional processes. The technology provides a multibillion-dollar market potential and is widely applicable across numerous pathogens, including viruses, bacteria, and parasites. There is already over \$20m in non-dilutive funding from NIH (NIAID) for the further development and commercialization of the company's novel technology.

Portfolio Highlights

The second new company was Cella Science established in December 2021. Cancer patients need rapid, accurate point-of-care blood analysis to direct treatment decisions. Frequent testing is required to inform care decisions. Complete blood count (CBC) results may take hours to receive from a central lab, thereby delaying treatment. Cella was formed to commercialize a novel, highly affordable, reagent-free blood cell counter technology that requires no calibration, is easy to use, provides results in minutes, has demonstrated 100% sensitivity and specificity for diagnosis of neutropenia in studies conducted to date, and is portable which makes it amenable to point-of-care or home use.

There has also been exciting headway made by many other portfolio companies. This progress can be observed in a variety of ways, including rapid value appreciation as measured by share prices in follow-on investment rounds across the portfolio. A few of the highlights include:

BiologicsMD completed additional animal trials comparing the safety and efficacy of the company's patented compound for hair growth. These studies were focused on Alopecia Areata, a multi-billion-dollar market opportunity. The results were significant, demonstrating safety and efficacy well beyond currently available options, and position the company for initiating Phase I human clinical trials.

Calxyo (formerly Kalera Medical) continues to make great progress improving care for patients suffering from kidney stones. The company will close out the year having treated nearly 200 patients. Momentum is building and Calyxo is now hiring a small sales team to expand its commercial footprint in 2022. The company also acquired commitment for \$32m in Series C financing to be closed early Q1, 2022.

Following its FDA 510(k) approval for the company's machine learning based SQuEEZ™ heart health analysis software, **CardioWise** has made great commercialization progress. This includes preparation of a Quality Management System documentation for filing an ISO 13485 registration which is needed for selling SQuEEZ in Europe. Also, the company completed Version 1.1 of SQuEEZ and ported the software to the Amazon Web Services cloud that will be used for commercial launch. An application was initiated for a new CPT reimbursement code for SQuEEZ that, when obtained, will increase the revenue per analysis done. The company also completed a validation study for both normal and abnormal patients at the University of California San Francisco.

Loss of blood flow to the brain can be caused by cardiac arrest resulting in global cerebral ischemia (GCI), acute ischemic stroke (AIS) and other insults. Re-establishment of circulation initiates an inflammatory cascade leading to brain damage, as well as subsequent cognitive and behavioral impairment. Currently, there are no approved neuroprotective agents, creating a multibillion-dollar competitive whitespace. During 2021, **Neurexis Therapeutics** has made substantive strides in the preclinical development of its neuroprotective therapeutic, tatCN19o. Notable examples include securing \$500k in non-dilutive Phase I SBIR funding from the NIH (NINDS), demonstrating stability of the peptide, conducting additional efficacy studies, screening and selecting regulatory advisors, as well as preparing for a pre-IND meeting with the FDA. (continued)

Portfolio Highlights

All outcomes continue to support this promising drug candidate to address the total unmet need for the prevention of cognitive and behavioral impairment following cardiac arrest and stroke.

Nob Hill Therapeutics is commercializing a proprietary nebulizer technology that can consistently deliver dry powder drug formulations to the deep lung, independent of a patient's respiratory capacity. This opens new options for treatment of severe respiratory diseases, such as cystic fibrosis, tuberculosis, pneumonia, fungal infections, COPD, emphysema, and others. The company has five clinical prototypes built and initial testing has shown that they outperform the previous two generations of prototypes (lab bench top and 3D printed handheld prototype). Nob Hill's first inhaled therapeutic—an antifungal agent—has continued to gain support from NIH. Following the positive outcome of its Phase I SBIR-funded program, the company submitted a Phase II grant submission for \$1.7m and received a fundable score. This expected grant will continue the IND-enabling pre-clinical work. The company also put in place a world-class Strategic Advisory Board comprising leading clinicians and opinion leaders in the field of lung infection treatments, and inhalation drug delivery commercialization and strategy.



Formed: 2013

Number of Investments Made to Date: 30

Investment Round Sizes: \$30,000 to \$500,000

Time Weighted Average ROR Since Inception: 96.2%/annum

Combined IRR Across All Investments: 37.0%

(ROR and IRR based on most recent valuations for all companies in the portfolio with subsequent investment rounds or exits establishing updated valuations)

Two Membership Classes



Founders Group Member

- Invests into every new VIC portfolio company at founding
- Lowest valuation, highest upside, longer time for first return
- Diversification by number of companies and industry sector
- Limited to 50 membership slots



Standard Group Member

- Able to invest in any investment round after the founding round
- Good valuations, high upside, opportunity for fast returns
- Diversification by number of companies, industry sector and stage of development
- Unlimited number of membership slots

The VIC Investor Network (VIN) is an important part of the overall VIC innovation ecosystem. VIN only invests in VIC portfolio companies. It doesn't invest in outside companies, which is how we maintain consistently high-quality deal flow to VIN members.

In 2021, the [VIC Investor Network](#) made founding investments into the two new companies—Solaris Vaccines and Cella Science—as well as seven investments into established VIC portfolio companies at various stages of development.

While there were no additional exit events for VIN members in 2021, the value growth for VIN members continues to be outstanding. In addition, the groundwork was laid for another exit opportunity anticipated in Q1, 2022.

2022 Outlook

The major goals for 2022 are the formation of at least four new high-impact, large commercial opportunity life science companies, the closing of additional investment in VIC itself to fuel further growth, and the continued expansion of our affiliated VIC Investor Network to new members across the country. We anticipate being able to meet all these goals as well as build upon the substantial progress seen in 2021.



R. Calvin Goforth
Chief Executive Officer

